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AUTHOR DeMeester, Lynn A.
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ABSTRACT

The implementation of a legislative mandate to promote innovation in postsecondary education through the Fund for the Improvement of Postsecondary Education (FIPSE) is analyzed. Attention is directed to how this highly discretionary program successfully translated policy goals into grants practices. The values of two implementation strategies (applying standardized procedures or encouraging adaptation) are compared. A historical analysis of policy development by the FIPSE considers adaptive implementation based on information from program archives, original documents, reports, and interviews with staff. In considering monitoring, the concern is whether innovation was encouraged by insisting upon compliance or by offering assistance. Information on 66 of FIPSE's grants is reported based on data from surveys, workshops, project files, and interviews. During implementation, bureaucratic pressures emphasized efficiency, accountability, and standardization. Supportive conditions at FIPSE's inception enabled staff to pursue an adaptive approach. Then, by emphasizing assistance rather than compliance monitoring, innovation was encouraged. Administrators are advised to tailor their procedures to the main purposes of programs rather than routinely adopting technical and standardized procedures. (Author/SW)

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The Management of Discretion: Implementing and Monitoring a Discretionary Grant Program

Two Chapters from a Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of Doctor of Public Administration at George Mason University

By

Lynn A. DeMeester
Bachelor of Science, The University of Maryland, 1967
Master of Science, George Washington University, 1974
Doctor of Public Administration, George Mason University, 1986

George Mason University
Fairfax, Virginia

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Abstract

The Management of Discretion: Implementing and Monitoring
A Discretionary Grant Program

by

Lynn A. DeMeester

Following are two chapters from a dissertation that analyzes the implementation of a legislative mandate to promote innovation in postsecondary education. The dissertation examines how one highly discretionary program translated ambitious policy goals into grants practices successfully by being flexible and by adapting to an increasingly hostile operating environment.

According to implementation studies, the Fund for the Improvement of Postsecondary Education (FIPSE, located in the U.S. Department of Education) should have failed. When the scope of a mandate is national, has broad activities, and promotes innovation and reform, discretion and opportunities for failure are immense. In reality FIPSE has been evaluated favorably several times for faithfully pursuing its mandate to promote innovation. The study compares the value of two implementation strategies—applying standardized procedures or encouraging adaptation. Assuming that adaptive methods encourage innovation, how did FIPSE administrators resist pressures to standardize grants practices?

The following historical analysis of FIPSE's policy development examines adaptive implementation through program archives, original documents, reports, and interviews with staff. Consideration of rational and adaptive management then extends to a topic seldom analyzed—monitoring—and asks whether innovation was encouraged by insisting upon compliance or by offering assistance. Other parts of the study report on 66 of FIPSE's 1983 grants using data from surveys, workshops, project files, and interviews.

During implementation bureaucratic pressures emphasized efficiency, accountability, and standardization, as predicted. Supportive conditions at FIPSE's inception, however, enabled staff to pursue an adaptive approach. Then, by emphasizing assistance rather than compliance monitoring, staff has been able to encourage innovation. To improve policy implementation and monitoring, administrators must tailor their procedures to the substantive purposes of programs and projects rather than routinely adopt technical and standardized procedures.

CHAPTER II

The Development of an Ambitious Mandate

The circumstances, policy choices, and logic that shape the development of legislation are critical to understanding a program's implementation experiences. An obvious question pertaining to FIPSE is why does the program have an ambitious innovation mandate? Did the ambitious mandate develop for reasons suggested in the public administration literature, e.g., was it an attempt by lawmakers to appeal to constituents, to accommodate different local circumstances, or to address the need for change in postsecondary education?[1] Did the legislation and conditions producing it aid or deter FIPSE administrators from implementing the mandate's ambitious goals?

Attention to FIPSE's mandate is important because its content determined the amount of discretion available to administrators during implementation. The analysis explores whether discretion was part of FIPSE's mandate by design or by historical accident. An intentionally broad, ambitious mandate suggests the need for adaptive rather than standardized and rational methods of implementation. Whether or not a mandate is implemented according to such logic often depends on the second variable studied in this

research, the extent of support for a program in its operating environment.

Analysis of FIPSE's mandate and political interests that advanced it provides background for understanding why program administrators resisted pressures to standardize procedures, and instead developed grants practices which were consistent with the policy to promote educational innovation. To what extent did policymakers intentionally design a program with broad discretion? What conditions supported or challenged administrators as they pursued the ambitious innovation goals?

The Policy Development Climate in 1970

A major factor influencing FIPSE's legislation was the policy climate of the early seventies. Policy choices for higher education in 1970 were examined critically, primarily as a result of negative experiences with social programs attempted during the sixties. Prior to 1960 most federal assistance was awarded directly to state governments for their purposes and administration. There were few federal programs advancing national purposes or serving special target groups. During the sixties federally sponsored social programs dramatically expanded. From 1962-68, the War on Poverty and Great Society programs in housing, education, and social services designated large

amounts of federal aid to eradicate poverty and to equalize education.

What developments encouraged the use of funds for social programs? According to Daniel P. Moynihan several forces converged--a steady rate of economic growth, the rise of foundations to support social science research, the increase of scientific knowledge, and accessible education--and together contributed to a new, expanded federal role.[2] Economic growth also accentuated disparities between rich and poor populations and led to the passage of education legislation for the disadvantaged. The visibility of poverty, the disparity in the resources available to different school districts, and demands for desegregation by the courts also created conditions favoring federal involvement.[3] The availability of federal money and a growing awareness of social problems led to a new style of reform that involved not just the oppressed, but also social scientists, including academicians. Reformers interpreted and expressed the needs of the poor, and lawmakers responded by creating new federal programs.[4]

Few of the sixties programs immediately lived up to their promises. Program results were disappointing and basic premises appeared dubious. Evaluations of programs raised questions about commonly held social science assumptions about poverty and equality. According to Henry Aaron social scientists believed that by developing individual

skills, education could upgrade human capital and contribute to economic productivity while simultaneously reducing disparities in educational opportunities between rich and poor.[5] Daniel P. Moynihan describes the sixties programs as reflecting conceptions of the disadvantaged as interpreted by liberal intellectuals. Poverty was treated as a "homogeneous" concept caused by the same circumstances and amenable to the universal panacea--improved education.

One development that stemmed enthusiasm for education programs by the seventies was evaluation of their impact. Several evaluations forcefully challenged the commonly held idea that increased educational opportunities narrowed the economic gap between black and white students. A widely cited report by James S. Coleman evaluating the Elementary and Secondary Education Act (ESEA) of 1965 stated that there were no measurable differences in the resources and teachers in schools serving black and white students. A report by Christopher Jencks refuted the idea that education programs upgraded students' economic situations. An evaluation by the Rand Corporation found negligible improvements of students participating in federal education programs.[6] Cumulatively the reports sparked skepticism about social scientists' understanding of education and poverty, and the government's capacity to solve social problems.

The legislation containing FIPSE was produced amidst crosscurrents of optimism and skepticism. Lawmakers questioned the desirability of further expansion of large-scale social programs. Yet ideas that initially inspired social legislation became part of new mandates. The egalitarian value that students should have equal opportunities to education remained strong, and became a core idea undergirding the reauthorization of higher education legislation in 1972. These crosscurrents--a backdrop of skepticism and continuing concern about equal opportunity--were powerful forces in the policy context as the time for reauthorization of higher education legislation approached in 1970 and 1971.

The Problems Facing Colleges

In addition to the experiences of policymakers with the sixties programs, two developments affecting colleges became more visible. One development was the increasing dependency of colleges on federal financial support. Following World War II colleges and universities increasingly received federal research contracts to fulfill the government's defense, energy, and health needs. By the late sixties many institutions depended upon various sources of federal categorical aid and contracts with some colleges drawing nearly one-fourth of their total financial support from the government. Daniel P. Moynihan, a major architect

of higher education policy in 1969-70, points out that the higher education community viewed federal aid as a birthright or entitlement rather than as a temporary condition.[7] Federal outlays to universities increased from $1.1 billion in 1960 to $5 billion by 1970.[8]

A second development affecting colleges was growth in student enrollments. Growth in enrollments occurred through several waves of legislation. In the postwar period the G.I. Bill extended financial aid to war veterans and enabled them to attend college. Then, in the late fifties, the National Defense Education Act provided student loans and fellowships in order to meet the need for science teachers. Subsequently universal education was extended as a result of the Civil Rights movement of the sixties. The Higher Education Act of 1965 broke new ground in policy-making by providing scholarships and insured loans to needy students for undergraduate study. In addition, as the baby boom population matured, there were simply more students attending college. As a result of these developments college enrollments soared from 4.76 million students in 1963 to 8.58 million by 1970.[9] Mass higher education became a reality within the short span of two decades. By 1970 many colleges relaxed admissions requirements to allow even more students to enroll. The sheer increase in numbers of students, plus the diversity of their backgrounds, pressured college administrators to expand programs and services.

The provision of federal aid to individual students was sweeping enough to pose problems for college administrators and led to their perceptions that the federal government should develop new policies. As enrollments expanded, colleges had to respond to the needs of a larger and more diversified group of students. For instance, as more students entered college there were disparities in basic skill levels that required development of college preparatory programs. The influx of students generated needs for counseling and placement services, new instructional staff, and expanded course offerings. In response, college administrators proposed that the federal government provide noncategorical aid that institutions could use freely.

Rising enrollments were considered to pose threats to program quality. One author points out that the tumultuous growth resulting from the federal financing of higher education had failed to improve its quality.[10] Speaking for the executive branch, Daniel P. Moynihan interpreted the financial crisis in higher education as a threat to instructional quality, and thus, the national interest. Academicians and policymakers were still keenly aware of events such as Sputnik in 1958 that had signalled the failure of institutions to maintain rigor and quality in science education.

College administrators also perceived federal higher education policy to be piecemeal and incoherent. Educational legislation was often designed primarily to serve noneducational purposes. For instance, the goal of the G.I. Bill passed after World War II was to prevent large-scale unemployment; and aid to land grant colleges attempted to strengthen agricultural practices. Even the provision of federal student financial aid was primarily a response to social rather than educational concerns. College presidents pointed out that in other sectors, such as agriculture, health, and science, the federal government had a broader role in supporting basic research and innovation. Agencies such as the National Science Foundation conduct basic research for the science sector as does the National Institute for Health for the health field. In agriculture, the extension agent program delivers innovative practices to farmers. Higher education lacked these organizational analogues. In 1971 Clark Kerr, Chairman of the Carnegie Commission on Higher Education complained:

> No appropriate federal program or mechanism now exists to aid our institutions of higher education in their efforts to improve and reform undergraduate education or to provide discretionary funds from federal sources to our colleges and universities.[11]

Ideas about the Mandate and Organization

The rapid expansion of higher education in the sixties and concern about its future led to studies by private and public commissions.[12] Several commissions studied how higher education could improve itself under intensely changing conditions. Commissions focused attention on the problems of higher education and offered ideas for new federal policies.

One of the most important studies for FIPSE was the Carnegie Commission on the Future of Higher Education, created in 1967 by the Carnegie Foundation. In two reports, both entitled Quality and Equality (1968 and 1970) the Carnegie Commission strongly recommended a National Foundation for the Development of Higher Education to encourage, advise, review, and provide financial support for improving educational programs. Clark Kerr, the Chair of the Commission, wrote that an institution such as a foundation was necessary to provide funds for improving and reforming education. According to the Carnegie proposal, the substantive purpose of the foundation was to give new directions to curricula, to strengthen essential areas, and to develop programs for the improvement of educational processes and techniques.[13] The foundation's major role was to provide discretionary funds to colleges for improvement and innovation, the purpose that later developed into

FIPSE's central goal. The Commission recommended a substantial first-year budget of $200 million.

Public organizations also sponsored studies. The most important became the "Newman Task Force" created in 1969 by Secretary of Health, Education and Welfare (HEW) Robert Finch (and named after its chair, Frank Newman). The Commission was asked to develop recommendations about how to improve colleges and universities. The 1971 Newman report stresses that colleges and universities were not serving the needs of diverse student groups. The second Newman report, which contains more specific suggestions, suggests that the government encourage the design of flexible education programs.[14]

The reports forcefully underscored the need for a diversified federal higher education policy, beyond the mere provision of student aid. Together, commission reports raised questions about institutional responses to new student groups through a comprehensive range of programs and services. They paved the way for several program concepts that later became part of FIPSE's mandate: innovation and improvement as a fundamental goal, and the need to serve new learners through a comprehensive range of educational improvements. The reports articulated the need for the federal government to promote improvements and reforms in higher education.

In addition to studies that espoused the need for innovation in higher education, a second important development in FIPSE's evolution was the type of organization proposed for this purpose. Within this context, an Executive branch working group formed by Richard Nixon was an immediate source of ideas about responses to the problems of higher education. The Nixon group proposed formally the organizational form and policy instrument for a federal program to promote reform and innovation. A White House working group appointed by Richard Nixon designed a legislative proposal for reauthorization of the Higher Education Act of 1965.[15] The working group identified different policy needs including aid to students, aid to institutions, and the need for reform and excellence in education. The group had difficulty molding these diverse concerns into a single policy recommendation. A key task force member (and former academician), Daniel P. Moynihan, suggested incorporating different policy agendas--fellowships, research, innovation and graduate programs--into a single organization called the National Foundation for Higher Education.

The foundation was to be a responsive, yet relatively independent organization according to Moynihan's conception. He envisioned an organization (analogous to the British University Grants Commission) that could channel dollars to colleges independent of normal bureaucratic

process.[16] Moynihan's interest in the foundation arose from his concern that the fiscal problems of the nation's leading universities would cause their decline.

FIPSE's forerunner, the foundation, was conceived as an autonomous organization operating outside any Executive Department. It was to be modelled along the lines of the National Science Foundation. Some features of the foundation served as a template for the substantive and administrative ideas that later developed about FIPSE as an organization from 1970-72. The freedom and flexibility intended for the foundation clearly support the idea that staff would use discretion about funding and monitoring decisions, paving the way for the development of a discretionary grant program. Harold Seidman points out that choices about the type of organization strongly influence the way a program operates:

> Foundations and institutes have become the preferred form of organization for institutions making grants to local governments, universities, nonprofit organizations, and individuals for research in the natural and social sciences, or artistic endeavors. The unique characteristic of these organizations is an elaborate superstructure of advisory arrangements designed to give representatives of grantee groups maximum influence over the allocation of funds.[17]

Public foundations, few in number, such as the National Science Foundation (NSF), National Endowments for the Arts and Humanities (NEA and NEH), and National Institute of Health (NIH) have distinctive administrative features such as Presidentially appointed directors, strong

advisory boards, and highly professional staff. For instance, the NEA and the NEH are headed by chairmen appointed by the President and confirmed by Congress for four year terms. Each organization has a council that assists with program decisions. These characteristics were designed into the Nixon Administration's proposal for a higher education foundation, strongly aligning FIPSE to the "foundation form" of organization from the start.

The 1970 legislative proposal allows for the project grant as the policy instrument, a decision that appears to have two origins. First, Moynihan, commission members, and others wanted to avoid prescribing the government's categorical needs. The architects of the legislation wanted to provide college administrators wide latitude in proposing projects to the federal government. Secondly, parts of the elementary and vocational education legislation created a precedent for using the project grant to encourage innovation. Furthermore, as momentum gathered in Congress to create a research agency (the National Institute of Education) that would use contracts for investing in longer term research, the project grant appeared appropriate for promoting quick, short-term improvements. The grant form of award has been the method by which FIPSE has fulfilled its mandate since its inception and is the focus for the research in chapters four through six.

The Political Environment and FIPSE's Legislation

The problems identified and ideas advanced by national commissions and the White House working group led to Executive proposals in 1970 and 1971 for reauthorizing higher education. The politics affecting the legislation subsequently occurred in two arenas. The first was the legislative arena involving immediate Congressional and constituency responses to proposals. In between the development of the two Executive proposals, the legislation was affected by the politics occurring less visibly within the Department of HEW. From the time that the first proposal was introduced into Congress in March, 1970, until the passage of the final legislation in June, 1972, the legislation went through several iterations each of which sharpened ideas about the substance and administration of FIPSE.

The 1970 Nixon proposal particularly developed out of a sense of political expediency. Daniel P. Moynihan, Counselor to the President, captured the urgency that was felt at the time:

> The Federal government simply must organize itself with respect to higher education. Over the past two decades our involvement has grown to enormous proportions, but in an ad hoc, one crisis at a time way of most such developments. Clearly, the time is at hand to impose a measure of order. On every hand demands of this kind are rising, and so also are proposals. Either the President leads or he will be forced to follow.[18]

The new Republican President needed to present Congress with an Executive proposal. His advisors perceived the

timeliness of broadening higher education policies. The proposal that developed and became the Education Amendments of 1972 was, in fact, quite progressive as a proposal developed by a Republican Administration. The student aid portion of the bill alone resulted in the expenditure of nearly one billion dollars. Daniel P. Moynihan (who clearly had a vested interest in the legislation) later described it as one of the five most important pieces of education legislation of the last two centuries. In his estimation, the sheer impact of the bill in redistributing income exceeded all of the War on Poverty Programs.[19]

The National Foundation for Higher Education was proposed at a funding level of $200 million. It was the fourth part of the legislation along with student financial aid, the creation of secondary loan funds for students, and aid to two year colleges. The foundation contained a mixture of ideas including: (1) funds for the support of excellence; (2) funds to strengthen courses of instruction at colleges and universities; and (3) an organization concerned with national higher education policy.[20] Basic administrative features mirrored those of other public foundations and included a director appointed by the President and a 15 member Board of Advisors with six year terms. The policy instrument was the project grant.

The foundation was also to absorb over a half a dozen small, operating programs from the United States Office of

Education (USOE). Thus, the 1970 legislation included two major features: student aid; and (through the foundation) research, reform and innovation. Noncategorical aid to institutions, however, a major concern of college administrators, was not squarely addressed. The proposal limited institutional aid to two year colleges, and the idea was only vaguely part of the foundation's purpose.

The way this initial legislative proposal developed contrasts with the way in which political interests shaped subsequent legislation from 1970-72. The small, exclusive White House policy group tried to reach consensus about a new policy. According to one analysis, the group advanced suggestions to the President without consulting higher education organizations, Congressional members, or policy staffs within HEW.[21] Few Congressional hearings were held. The timing of the proposal was one year early since Congressional members planned to reformulate the legislation in the year that it expired, 1971.

Opposition to the proposal quickly emerged, ironically from college administrators, the constituency the foundation was designed to serve. As Chester Finn described: "No one reckoned with the passion, verging on an obsession, among the higher education associations for direct institutional aid."[22] College presidents feared that the foundation was a substitute for direct institutional aid. Experienced with the foundation mode of operation, they

anticipated that the dispensation of funds would be selective rather than equitable.

A second cluster of opponents emerged among officials in the federal government. Officials in USOE and HEW voiced objections to the creation of one more independent organization. USOE officials feared that the foundation would further dismember the agency by removing operational programs at a time when a Congressional proposal to create a National Institute of Education (NIE) extracted research and development programs. Some HEW officials opposed the legislation because it failed to sort out different policy issues. One HEW official objected that the working group had abdicated its responsibilities for resolving different policy issues by turning them over to the proposed foundation.[23] Other HEW officials felt that programs should fall within a hierarchical line agency. Commissioner of Education James Allen expressed concern that a separate foundation would make it difficult for the President to coordinate policy.

Also opposed to the foundation, albeit for different reasons, were key Congressional leaders. Edith Greene, the Senate Subcommittee Chair for Education, strongly championed institutional aid and was drafting legislation for that purpose. The failure of the Nixon proposal to respond adequately to institutional aid prompted Greene's opposition. John Brademas, the Chair of the House Subcommittee

on Education, objected to the foundation because it diverted attention from the creation of NIE, the agency that he supported. In a strongly worded article printed in the Chronicle of Higher Education he questioned: "Why should we have a Foundation for Higher Education and not for other levels of education? What is so sacrosanct about higher education?"[24]

Members of the Senate Committee opposed the foundation because they perceived it as elitist and "lacking in soul". Some policymakers felt the foundation exclusively favored elite institutions. Other legislators hesitated to create a new agency with a reform mandate. Daniel P. Moynihan's interpretation was that there was simply a denial by Nixon's opponents that a Republican Administration could propose a progressive education policy.[25] These attitudes and crosscurrents were important factors throughout the history of both legislative proposals, and a key reason that FIPSE emerged as a small $10 million dollar program instead of a large $200 million foundation.

As a result of opposition from key sources--constituents, departmental officials, and legislators--the 1970 legislation did not pass. The proposal did, however, contribute to ideas that later affected FIPSE's administration and purposes. It drew attention to issues of reform and innovation and instilled the idea that the organization should be responsive to its higher education constituency.

The selection of the foundation form of organization shaped administrative decisions to have a high level director, a strong Advisory Board, and a professional staff. From the earliest discussions, the project grant was assumed to be the appropriate policy instrument. Thus the 1970 legislation paved the way for an ambitious program, and one that would need flexibility in its methods of management..

The Second Legislative Proposal--Ideas are Refined

The second proposal for reauthorizing higher education was considerably different in the way it developed and in the substantive purpose created for the foundation. Whereas the first legislative proposal included several policy objectives under the umbrella of the foundation, the second proposal more carefully defined the organization's role. Opposition to the foundation was partially overcome by streamlining its purposes. For instance, the second legislative proposal excluded existing programs thus overcoming the objections of USOE administrators. Even more important, the political lightning rod, institutional aid, was clearly eliminated as part of the foundation's purpose. The innovation role was sharpened as plans for a research agency, NIE, advanced in Congress. These developments provided the reconceived foundation a more exclusive and palatable focus on innovation as a mission.

A significant change in the development of the second proposal was that the momentum for it shifted from the White House to HEW. A primary reason for this shift was that Daniel P. Moynihan, the chief architect and advocate of the initial foundation, left his position at the White House to return to university teaching. His departure left no one at the White House to advance the foundation. At the same time, the top leadership of HEW and USOE changed: HEW Secretary Robert Finch was replaced by Elliot L. Richardson and Commissioner James Allen was succeeded by Sidney P. Marland. New appointments enabled reformulation of the proposal without placing departmental officials in the embarrassing position of "reversing" previous positions. Secretary Richardson's endorsement of the redesigned foundation later became a critical factor leading to its legislative passage.

The altered context for the development of the second foundation proposal led to refinements in ideas about its substance and administration. Internal dynamics of HEW affected the organizational placement of the foundation and constituent involvement sharpened ideas about its role.

The second foundation proposal was developed and advanced by a small group of academic administrators and federal officials who were able to convince Secretary Richardson about its strategic and substantive importance. The group was composed of officials from the policy and

legislative staffs of HEW as well as academic consultants who worked with them. A key individual who supported the development of the foundation at all stages was Russell Edgerton, Special Assistant to Secretary Richardson in 1971 and later a member of the HEW Planning and Evaluation staff.[26] Edgerton played a linking pin role at all stages between HEW staff and higher education representatives and between USOE and HEW officials. He also elicited the involvement of William Cannon, Vice President of the University of Chicago, who developed early concept papers analyzing the mission of the foundation. Cannon felt it was imperative to associate the foundation with Richardson which led the HEW group to recommend its placement within HEW. This decision allowed Richardson to promote the foundation under his organizational aegis, and ameliorated objections to creating an autonomous organization.

The HEW group used the intellectual grist of the Newman Commission report to convince Richardson of the need for the foundation. The general stalemate that developed between the Nixon Administration and college administrators about the level of federal support for institutional aid contributed to Richardson's willingness to endorse the foundation. College officials were urging Congress to pass a bill containing large amounts of institutional aid. Richardson felt politically constrained. Naturally, he did not want Congress to pass such an exorbitant bill that the

President would veto it.[27] The foundation provided a chance to diversify the legislative package. Richardson supported it before the Senate Subcommittee in March, 1971. As proposed, the foundation reflected ambitious ideas contained in commission reports--to serve new learners, to encourage institutional renewal, and to diversify educational structures.

As the passage of the 1972 Education Amendments appeared likely, tension developed between the policy offices of HEW and USOE about control of the foundation and its organizational placement. Some tension was neutralized by the appointment of a task force to plan for implementation. USOE administrators felt that they should administer the task force. HEW officials, Richardson and Edgerton supported the idea of a task force, but were also careful to select a chair (Bernie Martin of the Office of Management and Budget) from outside of the USOE bureaucracy. The task force was composed of personnel from across and outside of USOE, preventing any one bureau from gaining early control over the foundation.

Throughout 1971 the task force (9-16 members) worked to clarify the purpose of the foundation.[28] According to one study, the task force remained captive to USOE, its "parent organization" and failed to achieve the kind of autonomy that is suggested of temporary groups in the organizational literature.[29] The space of a decade renders

another, more optimistic interpretation about the importance of task force activities. During 1970-71, the task force significantly increased knowledge about the foundation within the higher education community, thus broadening constituent support. For example, the task force mailed information to several hundred universities, conducted ten regional workshops to discuss the idea, made presentations at professional meetings and responded to inquiries. And, as one analysis points out, several members felt that a major purpose of the task force was advocacy, and actively sought constituent support for the foundation through higher education associations.[30]

Constituents Sharpen Ideas about the Foundation

The nearly year-long lull between the introduction of legislation by the Senate in March, 1971 and the final bill passed in July, 1972 provided an opportunity for constituents to influence the substantive role of the foundation. They pursued the opportunity by expressing several concerns. Constituents stressed the importance of procedural flexibility and responsiveness, comprehensiveness in applicant eligibility, and the need for an advisory board that included public interest members.

A major theme expressed by constituents was the need for the foundation to be responsive. In general, constituents reified the approach to change known as "backward

mapping", a term coined by Richard Elmore. Rather than a government agency dictating the blueprints for innovation to colleges, administrators urged that discretion reside with the institutions. They demonstrated classic interest group behavior by broadening the foundation concept to reflect their concerns. The responsiveness theme was also reiterated by Clark Kerr, a former university President who continued to be an advocate for the foundation:

> It is my view and those of the commission that the Foundation should respond rather than initiate; facilitate others to act rather than act itself; and encourage and influence reform and experimentation rather than direct such activities.[31]

A group appointed by the American Association of State Colleges and Universities (AASCU) to study the proposal for a foundation also urged that the agency be procedurally open and responsive. A position paper produced by AASCU (Chaired by Chancellor G. Theodore Mitau of the Minnesota State College System) expresses hopes that the foundation would lift the customary requirement of narrow guidelines, bureaucratic process, and restraint.[32] Even USOE Commissioner Sidney Marland emphasized the responsiveness theme:

> The President has left no doubt of his intense conviction that we must build now a national policy of long-term effective support for your institutions through which any higher education policy must be carried out--one by one, pluralistically, campus by campus, with no Washington high priest pretending to direct the action.[33]

In addition to urging procedural flexibility constituent groups contributed to another idea--that the

foundation should be comprehensive, particularly on the question of eligibility. Consultant William Cannon was one of the first to articulate this idea in an early concept paper. Cannon argued that the foundation should serve the entire college system, including all classes and types of institutions, and not exclusively elite universities.[34] The AASCU report, which advanced the views of representatives from a broad range of state institutions, reiterates the theme of comprehensiveness.

The idea of serving the needs of all institutions represented a significant change from Moynihan's conception of an organization to encourage excellence among leading institutions. Broad eligibility, an idea based on strong egalitarian tendencies and group pressures, was later extended in the Senate version of the legislation which changed the term higher education to "postsecondary" education. The expansion of eligibility, first to all types of colleges, and later to other organizations was a significant development in the legislation. As survey results in later chapters demonstrate, in 1983 about one third of FIPSE's new grants were awarded to noncollegiate organizations.

In addition to urging responsiveness and comprehensive eligibility, a third significant contribution by a constituent group (in this case AASCU) was the recommendation to broaden the composition of the Advisory Board to include

public interest members as well as educators. This recommendation was retained in the Senate legislation and has persisted since 1972 in the practice of appointing eight of the 15 members as public interest representatives. FIPSE's National Board is distinctive from the advisory boards of of NSF, NEH, and NEA in which all appointees are from their respective fields of science, the humanities or the arts. Some analysts feel that expert representatives tend to have a vested interest in the status quo. The addition of lay members is an important feature for an organization mandated to promote innovation and improvement. The broadened membership also prevents special interests from exercising undue influence over funding decisions.

The Second Administration Proposal

Nixon's 1971 proposal for reauthorizing higher education contained a scaled down version of the foundation ($100 million) and reflected constituent reactions to the first proposal. The legislation was introduced to Congress in March, 1971 in the Higher Education Opportunity Act, and was passed unanimously by the Senate (S.659) in August, 1971. However, a companion bill in the House of Representatives omitted the foundation entirely. Omission of the foundation was one of several hundred differences between the House and Senate versions of higher education legislation. The greatest source of debate concerned provisions

for allocating institutional and student aid. In addition, some members of Congress were highly committed to the creation of the research agency, NIE. As a result, the foundation was a low visibility part of the legislation.

During the summer of 1972, a House-Senate conference committee resolved the discrepancy between their two bills by granting the Secretary of HEW broad authority to carry out the purposes of the foundation at the greatly-reduced levels of $10 million, $50 million and $75 million for the first three years. The foundation name was omitted, and the section of the law was entitled "Support for Improvement of Postsecondary Education."[35] The comprehensiveness of the mandate was upheld by describing eight broad program purposes.

Other features of the legislation reflect ideas that had developed since 1970: the project grant as the policy instrument, the ability to hire five staff outside of the civil service, the broad eligibility of public and private postsecondary agencies. The most significant omission from the legislation was the failure to include an advisory board. However, the grant of authority to the Secretary of HEW allowed for its creation, and early program administrators quickly developed this option. The program was not assigned an organizational placement, but permitted Secretary Richardson discretion about this decision. As one analysis points out, although the full-blown foundation did

not survive, the original concept was approximated through broad administrative discretion.[36]

In the summer of 1972 when higher education legislation appeared likely to pass, tensions between HEW and USOE over control of the foundation intensified. Both HEW and USOE used a "project manager" approach to implement the legislation by assigning key individuals responsibility for different sections of the law. Assigning leadership for the foundation was a sensitive issue since USOE already had a task force operating for that purpose. However, within the span of two months the membership of the USOE task force was reformulated several times. Ultimately, Russell Edgerton of HEW was transferred to USOE to lead the task force.

The way in which FIPSE's organizational placement was determined is an interesting example of how FIPSE's administrators tried to preserve the flexibility afforded through the mandate. In this instance, outside constituents were used to confront internal departmental issues. The HEW policy staff invited a prominent group of higher education leaders to advise USOE and HEW about the new program. The group, sympathetic to the need for FIPSE's autonomy, strongly recommended to Commissioner Marland that he place the program outside any USOE bureau. One key reason that Marland supported these recommendations was that the legislation created a new line position for him as

Assistant Secretary for Education. FIPSE, NIE and USOE all reported to Marland under this reorganization. Under these conditions Marland was willing to endorse the recommendations of the higher education representatives about FIPSE's placement, thereby avoiding a confrontation with HEW Secretary Richardson.

Several other decisions that were critical to preserving the flexibility of the mandate were implemented within two months after legislation passed. Immediately after the law was signed the task force of higher education leaders again met with Russell Edgerton to make key recommendations to HEW Secretary Richardson about the organization. The recommendations quickly and skillfully codified thinking that had developed throughout the prelegislative timeframe. Recommendations started to determine officially how ideas such as responsiveness and flexibility would develop into program practices. For instance, the task force recommended striking a balance between general and categorical guidelines. The rationale advanced was that applicants should receive guidance but retain discretion to encourage creative ideas. The funding mechanism via grants was to follow the "foundation approach" operating in a zone between strict categorical definition and pure "money on the stump" discretion. Other recommendations include making the organization an independent unit parallel to USOE and NIE, creating an advisory board with

eight of the fifteen members as public interest members, and appointing a high level Director.[37] Each suggestion advanced arguments based on the mandate's ambitious goals. Acceptance of all recommendations by Secretary Richardson demonstrates that FIPSE initially operated with high level support.

In conclusion, FIPSE's ambitious mandate is the product of several forces. Individual advocates advanced the legislation. The planning activity for the first foundation was undertaken by a small White House working group. The group recognized some needs in the higher education community and also hoped to demonstrate Nixon's leadership. However, constituent groups and Congress were not prepared for the 1970 proposal. In the next phase, policies in the higher education legislation were realigned and the foundation role was sharpened to focus on innovation and improvement. Individuals in the White House and HEW--first Moynihan and subsequently Richardson and Edgerton--were key actors in advancing the foundation to the point of legislative passage in 1972. Like much of the sixties legislation, ideas about the foundation resulted from the input of academicians who served as consultants, commission chairs, and advisors.

In addition to important advocates, a mildly favorable policy environment was another factor leading to FIPSE's mandate. There was still enough "slack" and flexibility at

the departmental level for a small group of committed individuals to advance a new idea such as the foundation. Influential national commission reports served as sources of ideas leading to the legislation and highlighted problems faced by colleges. However, the larger policy making environment had altered since the mid-sixties. Legislators were cautious about creating a large program and independent organization with a "reform" mandate. As a result, funding for the foundation was greatly reduced, the program was assigned to operate within a department rather than autonomously, and its "reform" mission was broadened to one that emphasized improvement as well as innovation.

The opening of the chapter points out that mandates are often broad and ambitious because they appeal to constituents, apply to diverse situations, or are necessary for the problem addressed. These explanations apply in FIPSE's case. The Nixon Administration tried to appeal to higher education administrators. The breadth of the mandate and eligibility provide a variety of postsecondary institutions wide latitude in proposing innovations. Breadth is also necessary since innovation is difficult to prescribe.

The legislation is also the product of a process involving compromise. The full-blown foundation concept in the Senate legislation had to be reconciled with its omission in the House version. The FIPSE budget was reduced

drastically from $100 to $10 million without a corresponding revision in the scope of the broad mandate. Expediency and more pressing legislative issues overshadowed reconsideration of the mismatch between budget and goals.

Implications of Legislation for Implementation

One analysis claims that the mandate broke from past higher education policy through the independence of the agency and governing board, the freedom from some conventions of the civil service as well as by creating a new kind of program with a potentially diverse clientele and broad mandate. The same assessment expresses concerns that the breadth of the target group vis-a-vis the modest resources, and the open ended or "blunt" nature of the grants would make it difficult for administrators to guarantee the outcomes of projects.[38]

The mandate's broad, ambitious characteristics create both opportunities and problems according to the implementation literature. Many analysts consider a specific mandate to be desirable. When goals are both specific and few in number organizations can demonstrate that they are accomplishing what Congress intends. One exploratory study found that the combination of modest funds with a broad mandate portends poor chances for effective implementation.[39] From these perspectives, the goals in FIPSE's legislation are a liability because of their breadth and

generality. The first of eight objectives demonstrates the problem. Objectives such as "encouraging the reform, innovation, and improvement of postsecondary education and providing equal educational opportunity for all" are broad, ambitious, and difficult to measure. The $10 million of program funds was clearly modest compared to the scope of the eight objectives.

In contrast to doubts about broad mandates, a few analysts suggest that breadth enhances implementation by providing the discretion necessary to allow flexibility. For example, Richard Elmore is skeptical that better implementation is achieved through highly specified, rational mandates. In his estimation, people who operate at the lower levels in organizations benefit from discretion so that they can adjust to circumstances that were not anticipated in original legislation. This position argues that discretion for federal program staff who select and monitor grants and project directors who implement them improves implementation.

In comparing specific and broad forms of legislation, it is important to analyze developments beyond the written legislation. The development of FIPSE's legislation highlights several factors that could affect how administrators translated the mandate into program practices: (1) the strong influence of the basic organizational concept, the foundation; (2) the development and refinement of program

ideas by commissions, constituents and policy officials; and (3) initial staff who knew and understood these developments and organizing concepts.

Both administration proposals were based upon the foundation as the organizational model. Even though the term "foundation" does not appear in the legislation, many administrative features of the current organization are based upon this model: the high level Director, the advisory board (called "National Board"), the idea of a professional staff, and the semi-autonomous placement of the program in HEW at its inception. These features gave FIPSE an organizational profile quite different from a program operating within the bureaucracy. Unlike many new programs incorporated into operating bureaus with ongoing programs, FIPSE was somewhat autonomous and highly placed in HEW's Office of the Assistant Secretary for Education.

In addition to the strength of the foundation as an organizational concept, a second key factor in FIPSE's creation was the strong articulation of key ideas by advocates and constituents during the prelegislative phase. The idea of the innovation mandate to improve and reform postsecondary education was a product of the policy climate and was first articulated in the 1970 proposal of the Nixon Administration. In legislative testimony and position papers, higher education groups emphasized being responsive to constituent ideas and comprehensive in eligibility

requirements. Commission reports emphasized the need to serve new learners. In addition to the obvious "breadth" of the mandate, specific, substantive ideas undergirded the legislation.

A third and critical factor that influenced FIPSE's implementation is the continuity of persons who were involved with the foundation during the prelegislative period. The first Director, Virginia B. Smith, had been the Associate Director for the Carnegie Commission on Higher Education, the group that initially articulated the need for a foundation. The first Deputy Director, Russell Edgerton, commissioned key reports about the foundation, helped develop the second administration proposal, led the task force through the transition phase, and became FIPSE's first Deputy Director. Three of the first staff members worked on the USOE task force. Four members of the first National Board participated in prelegislative developments leading to FIPSE's creation. Altogether half of the initial staff and many of the National Board had been involved with the development of the legislation.[40] This enabled key individuals to carry forth critical understandings from the policy development to the implementation stage.

A key purpose of this exploration of prelegislative developments is to see how substantive ideas about the broad mandate developed and what they portended for FIPSE's implementation. The next chapter examines how staff

developed substantive ideas in the ambitious legislation--innovation, responsiveness, comprehensiveness, and attention to new learners--into program practices. Did staff encounter pressures to standardize grants practices in spite of the need for discretion and flexibility? To what extent was FIPSE's operating environment supportive, and what methods of implementation did administrators follow?

Footnotes

[1]Explanations of broad mandates are contained in: Richard R. Nelson and Douglas Yates, eds. Innovation and Implementation in Public Organizations (Lexington, Mass.: Lexington Books, 1978) and Robert D. Thomas, "Implementing Federal Programs at the Local Level," Political Science Quarterly Vol. No. 3 (Fall, 1979): 423. Eleanor Farrar McGowan, "Rational Fantasies," Policy Sciences Vol. 7 No. 4 (December, 1976):453. Robert S. Montjoy and Laurence O'Toole, Jr., "Toward a Theory of Policy Implementation: An Organizational Perspective," Public Administration Review Vol. 39 No. 5 September/October 1979): 465-474.

[2]Daniel P. Moynihan, Maximum Feasible Misunderstanding: Community Action in the War on Poverty (New York: The Free Press, 1969), pp. 21-25.

[3]Stephen K. Bailey and Edith K. Mosher, ESEA: The Office of Education Administers a Law (New York: Syracuse University Press, 1968), pp. 4-14.

[4]Daniel P. Moynihan, Maximum Feasible Misunderstanding, pp. 25-29.

[5]This idea is discussed by Henry J. Aaron, Politics and the Professors: the Great Society in Perspective (Washington, D.C.: The Brookings Institution, 1978), Chapter III.

[6]James S. Coleman and others, Equality of Educational Opportunity (Washington, D.C.: Government Printing Office, 1966). The Coleman report studied groups of students across the country and tried to relate differences in school resources to differences in student attainment. Measurable differences were not found. The RAND report was by: Harvey A. Averch and others, How Effective is Schooling? A Critical Review and Synthesis of Research Findings (The RAND Corporation, 1972) This report pointed to the negligible and fading effects of education programs. A third report by Christopher Jencks and others, Inequality: A Reassessment of the Effect of Family and Schooling in America (Basic Books, 1972). This book refuted the idea that education improved a person's economic situation. Henry Aaron, who critiqued the methodology of the Coleman report points out that all three works downgraded the importance of disparities between black and white students but all failed to develop important linkages between educational treatment and earnings.

[7]Daniel P. Moynihan, Coping: On the Practice of Government (New York: Random House, 1973), pp. 305-306.

[8]Ibid. Major pieces of higher education legislation include: 1944 GI Bill of Rights, Tuition and expenses for veterans of World War II; 1950 National Science Foundation's support of science education and research; 1950 Housing Act, loans for dormitory construction; 1958 National Defense Education Act, providing loans, equipment and training in science and math for teachers; 1963 Classroom Construction Grants and 1965 Higher Education Act, providing scholarships for students, funds for libraries and construction.

[9]U.S. Department of Education, The Condition of Education: A Statistical Report (Washington, D.C.: The National Center for Educational Statistics, 1983), pp. 80-81.

[10]Ronald Gross and Beatrice Gross, "FIPSE's innovative approach to education grants brings new life to a weary system," Grantsmanship News (November/December 1980): 48. This idea also appears in Chester Finn, Jr. "The National Foundation for Higher Education: Death of an Idea," Change Magazine (March 1972): 122-125.

[11]Clark Kerr, "National Foundation for Higher Education" in Change Magazine 3 (May/June, 1971): 8. It should be pointed out that other levels of education did have discretionary funds: Title III of the Elementary and Secondary Education Act (ESEA); the Experimental Schools Program; and Part D of the Vocational Education Act (VEA).

[12]In addition to the Carnegie Commission and HEW Newman Task Force Reports there were several others: The 1970 President's Commission on Campus Unrest; A 1971 report issued by the American Academy of Arts and Sciences containing 100 recommendations for improving colleges and universities; The Gould Commission led by Sam Gould and representing several organizations issued a report entitled Diversity by Design emphasizing that institutions were becoming more homogenous just as students were more diverse; and the 1971 Assembly on University Goals and Governance report sponsored by the National Academy of Sciences.

[13]In his dissertation, Charles Bunting attributes the foundation idea to Laura Bornholdt (1967), a staff member of the Danforth Foundation. Bornholdt suggested to the President of the Carnegie Foundation that the private foundations sponsor a project to support reform. The idea was translated into the Carnegie Commission's idea for a public foundation described in three reports. The first report indicated the foundation would identify needs, provide trials, and then transfer "tested" ideas to other agencies for them to administer on a permanent basis. The second

report suggested state and regional planning groups; and the third report recommended support for black colleges. The foundation idea was advanced by the White House Working Group.

[14]The Newman Task Force on Higher Education, Report on Higher Education (Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1971). There were two Newman reports, one published in 1971 and the other in 1973. The first described the conditions facing higher education and the second recommended ways in which the government could address the problems.

[15]The White House working group was chaired by lawyer Edward L. Morgan and included representatives from the White House, Department of Labor, Department of HEW and other agencies. Two academicians were particularly active members of the group--Counsellor to the President, Daniel P. Moynihan and Lee Dubridge. Both supported the idea of the foundation, three other members favored the idea and the education officials opposed it.

[16]Moynihan, Coping, pp.312-313.

[17]Harold Seidman, Politics, Position and Power: The Dynamics of Federal Organization, 3rd ed. (New York: Oxford University Press, 1980), p. 258.

[18]Daniel P. Moynihan, "Memorandum for Higher Education Group: The Case for a National Foundation for Higher Education," (Washington, D.C., 11 March 1970): 1 (Typewritten.)

[19]Daniel P. Moynihan, Coping, p. 312.

[20]Richard M. Nixon, A New Road for America: Major Policy Statements (New York: Doubleday, 1972), p. 221.

[21]Chester E. Finn, Jr. "The National Foundation for Higher Education: Death of an Idea," Change (March, 1972): 25.

[22]Ibid, p. 27.

[23]Lewis M. Butler, "Foundation for Development of Higher Education," (Washington, D.C., Memorandum for members of White House Working Group, 6 March 1970), p. 1 (Typewritten.)

[24]John Brademas, "A National Foundation for Higher Education?" The Chronicle of Higher Education (November, 1971): p. 8.

[25]Daniel P. Moynihan, Coping, pp. 312-313.

[26]Prior to serving as Special Assistant to Secretary Richardson, Edgerton served on the staff of the Assistant Secretary for Planning and Evaluation. Butler, Cannon and Edgerton all served on the Newman Task Force. Also important throughout this phase was Christopher T. Cross, Deputy Assistant Secretary for Legislation (Education).

[27]These insights were provided in notes by Russell Edgerton in reaction to the first draft of the chapter on April 12, 1984. At that time Edgerton was President of the American Association for Higher Education.

[28]The USOE task force expected to operate for a few months before the passage of the legislation and the appointment of a foundation director. However the passage of the legislation became delayed and stretched into a year.

[29]Charles I. Bunting, "The Process of Program Initiation at the Federal Level: Papers on the National Foundation for Postsecondary Education" (Ed.D. dissertation, Harvard Graduate School of Education, 1973), p. 135. The dissertation has two distinct parts: (1) Part I analyzes the substantive features of the foundation proposal; (2) Part II is a case study of the HEW task force that operated in 1970-71 prior to passage of the legislation.

[30]Ibid, pp. 117-118 and 131-132.

[31]Clark Kerr, "National Foundation for Higher Education," Change Magazine 3 (May/June, 1971): 8.

[32]G. Theodore Mitau and Robert C. Spencer, "A Position Paper in Support of: A National Foundation for Innovation and Change in Post-Secondary Education: Some Reflections on the Provisions of a National Foundation in S. 659," (Prepared for AASCU Task Force on Innovation in Higher Education, January, 1972) pp. 11-12. The paper contained four suggestions: to include public interest members on the advisory board, to have broad guidelines, to award monies directly to the President of the institution and to award monies as block grants. The first two ideas have been followed and the latter two were not. However, it is FIPSE's practice to check with top institutional administrators about their commitment to proposals that will be funded.

[33]Sidney P. Marland, Jr., "A Strengthening Alliance", (A speech before the fifty-fourth annual meeting of the American Council on Education, Shoreham Hotel, Washington, D.C. 7 October 1971), p. 3.

[34]William Cannon, "A Draft of an Outline for a Plan for Operating the National Foundation on Higher Education," (Washington, D.C., submitted to the Department of Health, Education and Welfare, August 1971.

[35]Public Law 92-318, Education Amendments of 1972, Section 404 "Support for the Improvement of Postsecondary Education 23 June, 1972. To summarize the timing of legislation: March, 1970-The First Nixon higher education proposal; March, 1971-The Second Nixon higher education proposal; August, 1971-Senate passage of S. 659; June, 1972-Congress Passes Compromise Bill; July, 1972-Richard Nixon signs Education Amendments of 1972; FIPSE started with a personnel ceiling of 19 employees and a program budget of $10 million. NIE, with a research mandate and the ability to hire several hundred employees started with an appropriation of $125 million. FIPSE and NIE became parallel units to USOE, an organization with approximately 3000 employees and $6.76 billion of diverse educational programs. All three units reported to an Assistant Secretary for Education, who in turn, reported to the Secretary of Health, Education and Welfare.

[36]Charles I. Bunting, Process of Program Initiation, p. 150.

[37]U.S. Commissioner of Education, "Implementation of authority for the improvement of post-secondary education - ACTION," (Washington, D.C., Memorandum to the Secretary of HEW, 1 November 1972, pp. 2-5.

[38]Charles I. Bunting, Process of Program Initiation. 40 and 48-52.

[39]Robert Montjoy and Laurence O'Toole, "Toward a Theory of Policy Implementation."

[40]Three of the first program staff, Carol Stoel, David Justice and Charles Bunting, worked on the USOE task force in 1971. The first Chairman of the FIPSE Board, Lewis Butler (one of the critics of the foundation) served on the White House Working Group in 1969. Both Ted Mitau and Laurence Hall wrote papers on the foundation and became appointees to the Advisory Board as well Frank Newman, author of the HEW Newman report.

Chapter III

Translating Policy Goals into Grants Practices

At FIPSE's inception several factors favored implementation of the ambitious, innovation mandate in a manner that retained the directive to be flexible. FIPSE enjoyed some organizational autonomy in 1972 by reporting directly to the Assistant Secretary for Education. High level administrators supported the program and did not propose to intervene in its operations. FIPSE's small size protected the program from heavy political pressures internally and externally. The first Director, Virginia Smith, former administrator of the Carnegie Commission, commanded the respect of public officials and academicians. Since the Director and some staff participated in prelegislative developments, they understood policy ideas as the program started to operate.

FIPSE could have also easily deviated pursuing the innovation mandate. Strong incentives in the bureaucracy favored following standardized practices in order to be expedient. Broad applicant eligibility required designing grants practices to serve the interests of diverse constituents. Furthermore, innovation mandates had proven

difficult to implement in the past, presenting staff with many examples of failure but few models of success.

Major evaluations (summarized in chapter one) report that FIPSE designed grants practices that pursue its policy goals. Therefore, the staff's methods of translating goals into operations are worthy of exploration in order to gain insights about implementation strategies and management methods. How did FIPSE translate policy goals into program practices? Did FIPSE administrators use traditional, rational methods of management by comprehensively analyzing goals, systematically pursuing them, and then evaluating outcomes? Or were administrators able to develop flexible and adaptive methods according to the logic of the legislation? Since the program's goals to promote innovation are ambitious, to what extent were administrators pressured to standardize grants practices and how did they confront such pressures?

FIPSE'S Goals and Review Criteria

Most descriptions of FIPSE--annual program guidelines, internal documents and public information--refer to four "distinguishing characteristics" of the program. Since these general characteristics consistently serve to describe FIPSE, they are considered to be general objectives. The objectives are important to examine since they reflect critical assumptions about the mandate. From 1973 through

1984, the annual guidelines consistently describe FIPSE as: comprehensive in scope, covering the entire range of post-secondary education; responsive, relying on external initiative for the task of conceiving and developing proposals; action-oriented stating that FIPSE does not fund proposals for basic research; and risk-taking stressing support for "new and unproven ideas".[1]

Although the articulation of these four ideas early in FIPSE's history suggests that they were rationally conceived and well understood initially, an original staff member stresses that translating them into program practices was gradual:

> In fact, the development of this over-all strategy was inductive and iterative, during the program's actual implementation, as each new question presented itself we asked: How can we enhance the possibilities for continuation of a good project from the start? How do we choose from among a too-large number of feasible local projects? How do we avoid the writing to fit the guidelines syndrome.[2]

FIPSE's ambitious objectives highlight a critical aspect of moving from policy to administration--the problem of forging disparate objectives into a coherent set of program practices. Constituents advanced their interests in flexible grant practices and broad eligibility. Nixon's officials emphasized being innovative and comprehensive, and commission reports highlight problems from the learner's point of view. Congress focused on whether the program should be supported, and at what level. FIPSE staff

faced the task of unifying varied ideas into practices consistent with the overall mandate and responsive to constituents' concerns.

Program Objectives and Proposal Criteria

Interestingly, FIPSE's objectives emerged for distinct reasons and describe different dimensions of the program. Two ideas--comprehensiveness and responsiveness--were major, broad objectives articulated during the prelegislative timeframe in testimony and position papers. The other two objectives--to be risk taking and action-oriented--describe project characteristics and emerged as a way to distinguish FIPSE's activities from the research mission of the National Institute of Education (NIE) which was also created in 1972.

The objective comprehensiveness has two meanings that over time became merged. Comprehensiveness refers to the broad eligibility of both applicants and proposal ideas. Constituent groups emphasized the broad eligibility criterion forcefully during legislative hearings. The Senate underscored the idea in the 1971 bill by broadening the term "higher education" to "postsecondary education". The shift was subtle and reflects ideas contained in commission reports that education occurs in many settings including employer organizations as well as college classrooms. During initial months of implementation, FIPSE

administrators asked the HEW legal counsel for an interpretation of the legislative phrase "other public and private education institutions and agencies". The legal counsel interpreted the phrase to include institutions with an "indirect or secondary" relationship to education as well as higher education institutions. The legal interpretation codified the legislative intent of broad eligibility and is reflected in the variety of FIPSE applicants and grantees.[3]

A second meaning of comprehensiveness refers to the wide range of activities eligible for funding. Initial discussions about the foundation identified fifteen different activities. As the foundation became streamlined in the second proposal, eight activities were included in FIPSE's legislation. Each one is strikingly ambitious. The term "reform" appears in four places along with the phrases "to improve, innovate, create, change and design". When the House and Senate conference committee passed final legislation, members did not restrict activities even though the overall budget decreased from $100 million to one-tenth the amount, $10 million. One of the most important initial decisions by FIPSE administrators was to retain the breadth of the legislation rather than to prescribe narrow categories for proposals by selecting from among the eight activities. Each year program guidelines encourage the breadth of eligible ideas to applicants by stating:

> We have learned that many of the best proposals will improve upon our efforts to identify important concerns, and we invite proposals which address more than one of the following issues or which move beyond them.[4]

In many respects, having comprehensive applicant eligibility and activities for proposals are complementary features. Once broad applicant eligibility is established, the program is more likely to receive a variety of proposal ideas, thus assuring the program's comprehensiveness. One consequence of the comprehensive mandate--but limited budget--is that FIPSE is a "small grant" program with awards averaging around $70,000 a year.[5]

A second objective, responsiveness, also had two meanings by 1973. One meaning is responsiveness to the source of ideas, a concept referred to by FIPSE staff as "field responsiveness" or "local initiative". Field responsiveness arose from constituents' concerns. They feared the federal government would dictate categorical priorities, rather than allow colleges to suggest improvements. A second meaning refers to procedural flexibility in a full range of program practices.[6] The strength of ideas such as responsiveness (and FIPSE's strong foundation underpinnings) encouraged staff to invent alternative solicitation and review practices.

In contrast to comprehensiveness and responsiveness, the objectives of being action oriented and risk taking more specifically describe characteristics of grants.[7] The

idea of being action oriented is the easiest goal to understand in the context of 1973. FIPSE was the fourth part of higher education legislation that included financial aid, research, and institutional support. FIPSE's "niche" was further defined in contrast to NIE's research mission. The FIPSE mandate is to encourage improvement and innovation through project grants. The project grant, which had been used in elementary and secondary education programs, is a "seed money" approach through which grantees try to implement new ideas. FIPSE's description of its grants as action oriented is a logical extension of expectations about project grants, the mandate's purpose, and the need to distinguish the program's mission from that of NIE. The latter point is explained by one of FIPSE's Deputy Directors:

> First, we needed to distinguish ourselves from NIE, the larger research agency established simultaneously. Second, our budget was too small to have major impact in at least many areas requiring long-term development, such as in technology. But more important, it seemed eminently sensible--that a program whose mandate is to encourage improvement might as well <u>fund</u> actual improvements.[8]

The fourth objective, to be <u>risk taking</u> reflects the purpose of the mandate "to encourage the reform, innovation and improvement" of postsecondary education. FIPSE's guidelines describe risk taking as support of "new and unproven" ideas. Staff often say FIPSE supports the "entrepreneurial margin" of postsecondary education. A

National Board member describes FIPSE as discovering "pockets of energy" and early administrators often compared grantees to "pioneers moving west".

Although analogies convey the spirit of staff, translating broad objectives into specific review criteria is much more difficult. Certain objectives appear contradictory. Members of the task force that preceded FIPSE feared that risk taking and responsiveness might be irreconcilable strategies. An early document states:

> If the Foundation were to respond solely to institutions' needs as presently perceived, it may well be shirking its responsibility to anticipate future societal needs for postsecondary education.[9]

Staff felt that being responsive solely would mean surrendering to the status quo rather than fulfilling the intent of the legislation.

The objective of being risk taking also had to apply to a comprehensive range of program ideas and demonstrates how discretion and interpretation are part of translating policy into practice. Implementing the objective raised challenging questions: How could different projects sponsored by diverse organizations be compared from region to region? What is risk taking in one setting might be quite ordinary in another location. Staff decided to evaluate proposal ideas from two vantages, as an improvement locally as well as nationally. Staff also emphasize the idea of improvement rather than innovation. Improvements imply the

"next step" and are more easily judged by using the baseline measure of local practice. In these and other ways FIPSE staff attempts to reconcile complex and sometimes conflicting goals.

Just as there are program objectives, FIPSE developed criteria for judging "good" proposals. In 1973 the four criteria included: cost effectiveness, far reaching impact, learner centeredness and diversity. Cost effectiveness, then and today, is described in guidelines as "encouraging more value for the same dollar, or the same value for fewer dollars". This criterion is the natural product of a limited program budget, comprehensive strategy, and hopes that project grants will be adapted by other organizations.[10] The cost effectiveness criterion complements the criterion of far reaching impact (called "structural change" until 1976). Cost effectiveness is also congruent with the purpose of project grants to continue beyond the time of the grant and to influence practitioners in other settings.

Like comprehensiveness and responsiveness, the third criterion learner centeredness was emphasized during the prelegislative timeframe. National commission reports identified the need for colleges to develop a wide range of educational programs for new groups of students. Each year, FIPSE guidelines explicitly ask applicants to describe the project's benefits for learners.

The last criterion called diversity also reflects concerns expressed in commission reports that learners need a diverse range of programs, services, and institutions. Diversity appeared in guidelines as a criterion until 1976 when staff eliminated it since learner centeredness captures a similar idea. In addition, the FIPSE budget was (and is) too limited to create entire, new institutions.[11]

Program Objectives:	Program Criteria:
Comprehensiveness	Cost Effectiveness
Responsiveness	Far Reaching Impact
Action-Oriented	Learner-centeredness
Risk Taking	Diversity (Dropped in 1976)

These program objectives and review criteria capture "the heart and soul of the program". Staff tell applicants they are important considerations for grant activities. An examination of specific grants practices reveals, however, that FIPSE did not follow traditional practices used within HEW.

Development of Grants Practices

Several conditions made it difficult for FIPSE administrators to design grants practices tailored to the innovation goal of the legislation. Chapter one points out the tendency of large organizations to pressure small, new

programs to adapt established practices. Following these predictions, FIPSE's administrators were pressured by departmental officials to use traditional methods of grant solicitation and review. Because administrators had more experience with contracts than grants in the early seventies, grants were often treated like contracts when designing solicitation and review processes.[12] USOE administrators recommended that to be expedient, FIPSE administrators should award million dollar contracts to ten prestigious higher education institutions. The contract option was rejected by FIPSE administrators, staff, and Advisory Board.

In addition to treating grants like contracts, one government-wide concern that surfaced in the seventies was to treat all applicants "equitably", in a fair and comparable manner. Equity concerns led to standardized practices across different grant programs. Vocal political constituencies exacerbated departmental tendencies to standardize practices by asking program administrators to justify funding decisions.

A third and continuing pressure faced by program administrators is the federal timetable. Departmental administrators especially dislike fourth quarter expenditures that create the appearance of scrambling to "use up" monies. Awarding grants expediently is favored by upper level managers. Since Congressional notification about

program budgets often delays program competitions, and review of small grants requires the same amount of time as large grants or contracts, there are natural incentives for program administrators to award fewer, large awards.

Like most government programs, FIPSE experienced these multiple pressures. Nevertheless, program staff tenaciously sought to develop appropriate grants practices. According to a study of the Title III Program (Higher Education Act) the processes used to award discretionary grants and the awards that are made reflect a program's priorities.[13]

FIPSE's primary grant competition, the Comprehensive Program, provides an excellent way to study grant processes; and, therefore, program priorities. The Comprehensive Program is the major competition through which 95 percent or more of the program's annual appropriation is expended. The competition elicits between 1500-2300 proposals each year and results in 65 to 100 new grants annually. By issuing narrative guidelines the staff first solicits preliminary proposals, reviews them, and then invites a smaller number of full proposals in a process that lasts more than six months. Several features of this process depart from standard grant solicitation and review: (1) having narrative and problem-focused rather than technical and legalistic guidelines; (2) using a short, preliminary proposal rather than requiring a long, full proposal initially; (3) conducting a review process

involving several stages of review rather than one stage; and (4) using many reviewers as independent, generalist advisors rather than a few reviewers as an expert panel.

Soliciting Proposals through Narrative Guidelines

Guideline writing as a policymaking function is beginning to receive attention in the public administration literature. Some writers recognize regulation and guideline writing as an important step in translating legislative policy into program practice.[14] However, in contrast to the legalistic nature of regulations, guidelines are more interpretive documents that translate legislative intent into administrative ideas for action. An interpretation applicable to FIPSE by Francine Rabinovitz, Jeffrey Pressman and Martin Rein is that:

> In certain cases, guidelines perform the function of interpreting and elaborating upon a piece of legislation and then directing behavior toward goals embodied in the legislation.[15]

In 1972, most federal discretionary programs solicited proposals directly through regulations printed in the Federal Register or by issuing requests for proposals (RFPS). Since departmental policies had been developed primarily for contracts, the RFP was, and continues to be, the standard form of solicitation. One consequence is that many discretionary programs emphasize compliance requirements more than substantive program purposes. Grantees

respond to legal documents that ask for plans, timelines, and evaluations. Solicitation documents emphasize activities and technical process rather than substantive project goals. Discrete parts of proposals become inherently more important than the overall purpose of the grant. The legalistic and procedural tone of many solicitation documents suggests that the role of federal officials is to oversee the implementation of the grant from a technical vantage.

In contrast to a standard and traditional approach, FIPSE's early decision to develop narrative guidelines demonstrates how a program practice reflects the goals of comprehensiveness and responsiveness. The first program Director, staff, and Advisory Board rejected the use of the contract to fulfill the mandate and also decided against soliciting grants through legalistic approaches. Instead, administrators and the staff upheld ideas developed during the prelegislative timeframe--the broad eligibility of ideas and applicants. FIPSE's strong foundation underpinnings and administrators' desire to "lead with substance" influenced this decision. The idea of being responsive was also important since FIPSE legislation had been created in response to narrow, categorical programs sponsored by the federal government.

The guidelines are an extended essay that describe six to eight broad problems that relate to the mandate. The

essay approach communicates in a manner familiar to constituents, primarily academicians. The first guideline document issued in February of 1973 was a 22 page narrative of about 3400 words in which the bulk of the document (80 percent) discusses substantive program purposes and only 20 percent describes submission procedures. The guidelines are a major way in which breadth and comprehensiveness is achieved. A faculty member on sabbatical to FIPSE in 1980 observes that guidelines are used to stimulate rather than to prescribe development of new ideas:

> Thus from the outset, the Fund created a tension between itself and the field using the guidelines as a kind of broadside, an interesting and provocative announcement to the postsecondary community of a broad agenda for change.[16]

The guidelines are used in several other important ways, primarily as a way to communicate to constituents. Over 21,000 copies are distributed to institutions and individuals each year. Guideline writing has become a staff development activity.[17] Guideline development has much of the morale-building quality that Francine Rabinovitz describes as characteristic when staff are involved in central program decisions.[18] Guideline development also promotes interaction between staff and constituents. About every four years the staff undertakes a serious and substantive reconsideration of guideline problem areas (1975, 1979, 1983). A process starts a year in advance with staff talking with reviewers, the National

Board, and professional groups about new problems and developments in postsecondary education.[19] In these ways, guideline development stimulates staff learning, communication with constituents, and fulfills the essential purpose as a grant solicitation document.

Proposal Review

Like solicitation, there is a standard approach used by many programs to review grants. Typically full proposals are submitted and reviewed intensively by a panel of experts. From the start applicants must submit a finished product that normally exceeds 20 pages. Since developing a full proposal requires time and resources, the standard method favors more developed, established programs and organizations. Preparing a full proposal often requires the equivalent of several thousand dollars of staff's time and institutional resources.[20] As a result, organizations with established research offices have the competitive edge over community colleges and smaller organizations. In addition, fully developed programs are more competitive than riskier, developmental ideas. To the extent that funding patterns reflect these differences, federal monies flow to a limited number of larger, established organizations. For FIPSE, an organization with broad eligibility and an innovation mandate, a different review process was required.

In contrast to the standard submission of a full proposal, FIPSE first requires only a five page preliminary proposal that describes the "problem being addressed and why it is a needed improvement in postsecondary education". One practical reason for this decision was the receipt of 1500 full proposals in the first year. The eight staff needed to design a process that was feasible, fair, and selective.[21] The use of a preliminary proposal allows many ideas to be submitted without inordinate time on the part of applicants. As a result stronger proposals emerge.[22] The preliminary proposal provides applicants with an early general evaluation of ideas before all operational details must be finalized. Since FIPSE staff provides telephone feedback to applicants selected to advance to the full proposal stage, the first verbal contacts with potential grantees concern substantive proposal ideas. An emphasis on ideas contrasts with the standard review model in which first discussions between federal staff and applicants are often to discuss technical procedures of funding the full proposal.

How do applicants react to the preliminary proposal? In the three evaluations of FIPSE, applicants consistently praise use of a preliminary proposal. A 1978 study conducted by the Formative Evaluation Research Associates (FERA) places the two stage proposal submission process high on the list of program strengths:

> The process of five pages encourages some to apply who would not otherwise. The process was especially valuable for those without the resources of elaborate research and development offices or who as individuals were not accomplished grantspersons.[23]

The NTS evaluation finding that 35 percent of FIPSE's applicants have never applied to a federal program also points favorably to the preliminary proposal as a way to elicit innovative ideas from many types of applicants.[24]

One consequence of the two-stage proposal process is that it prolongs the period for applicants to develop innovative ideas. Grantees secure time to gain further commitments once the federal interest is signalled by succeeding in the first competitive round. Feedback to applicants at this point and later at the full proposal stage are one way that FIPSE staff exercises discretion and walks the directive-responsive tightrope. Questions that are raised by different reviewers are shared with applicants. The process provides applicants with inputs at several stages in order to improve projects.

The preliminary proposal is the first step in a review process that becomes progressively more selective and keeps adding inputs to the decision making process. The review process uses many external reviewers and also includes an active role for staff in making decisions about proposals to fund.

The tiered review has several characteristics. First, it covers a significant timespan of more than six months

and includes several critical junctures--the development of the preliminary proposal, the invitation to submit a full proposal, serious consideration of the full proposal, and negotiation of the award. As the survey of project directors reports (chapter five) these junctures create times when projects change and adapt by gaining additional commitments from participants, by adjusting project activities, and by acquiring more resources. These developmental opportunities help a small grant program encourage innovative, but feasible, projects. In contrast, the standard review model provides a single opportunity for projects to improve, which is after the full proposal is selected for funding.

Another way in which FIPSE's review model contrasts to the standard approach is in the use of external reviewers and staff. Most programs ask a panel of experts to meet for several days to read and create a ranking of proposals to fund. Staff perform only the technical chores of managing the panel and processing the award.

The standard approach, using an expert panel, has both advantages and drawbacks. One advantage is that a panel normally rates all proposals on a topic, and thus is able to make comparisons across a group of proposals. However, there are drawbacks to the panel approach. Since only a few reviewers can serve on a panel individual bias can operate, and there is little opportunity to involve readers

with diverse backgrounds. Depending upon how rigidly rankings are used (and they often are in the name of equity) a single high or low scorer can determine rankings. In addition, to be selected as a panelist requires status as an expert. This requirement mitigates against selecting less well-known individuals and organizations. Reliance on the expert panel for grant decisions also leads to a technical rather than substantive review role for staff.

The panel approach may be most appropriate when expertise is required on a particular subject, and when projects and organizations are highly comparable. FIPSE's comprehensive mandate and eligibility create a different situation. Proposals cover diverse themes and are submitted by many types of organizations. Given the sheer numbers (2000 on the average) it is impossible for one reader or panel to review all proposals. Proposals are not easily grouped along single dimensions. Again, FIPSE needs a different kind of review model, one suited to its purposes to promote innovation through the instrumentality of grants.

In addition to using a wide range of external reviewers, the "tiered" model relies on multiple inputs. A funded project can receive intensive review from four outside reviewers and a half a dozen staff. In addition a proposal could be reviewed from a policy standpoint by a state higher education commission, FIPSE's Director and Deputy, and the program's 15 member National Board.[25] The

successive review builds consensus about the overall strengths of a project. Staff are intensively involved in all phases of review and increasingly become knowledgeable about the substance of projects that they might later "monitor".[26]

FIPSE's review model also differs from the standard model by gradually emphasizing feasibility questions. For instance, at the preliminary stage emphasis is placed on evaluating the importance of the proposal idea. As proposals advance to the full stage, feasibility criteria become increasingly important. Proposals keep advancing in tiers rather on the basis of numerical rank ordering. Within tiers there is equality in criteria applied. At the end, staff committees must be satisfied that all questions about the proposal have been answered in order to recommend a proposal for funding.[27]

Contrasting the Standard and FIPSE Model

FIPSE's solicitation and review processes are quite different from those used by educational programs that solicit full proposals through RFPS and then review them by using panels. The standard model tends to be deductive and rational by soliciting through goals described in formal, often legal documents; by having experts evaluate and create a rank order of proposals to fund; and by requiring a fully developed proposal from the start. Solicitation

documents require grantees to describe timelines, activities, tangible products, and formal evaluations. The standard method of solicitation and review orients grantees toward a rational implementation approach. Proposal text is often written as though participants behave in predictable ways, that institutions completely support the project's goals, and that outside consultants can conduct a formal evaluation of the project to determine its effectiveness. By emphasizing discrete review questions with assigned point values, the standard model reduces the grantee's attention to details. Grantees are asked to emphasize activities and outputs rather than substantive project purposes. As a result, grantees expect to interact with federal staff primarily on technical matters rather than innovative, new ideas. Erwin C. Hargrove captures the tendency toward procedure:

> The strength of civil service tenure and the operational modes of contract compliance and fund accountability and efficient routine administration all run against change in the direction of innovativeness. Bureaucrats deal with process not substance and outputs rather than outcomes.[28]

FIPSE's review process is more inductive and flexible than the standard model and is an approach better suited to a wide variability of proposal ideas. The assumption is that proposal ideas improve over time. The first emphasis is upon ideas--through narrative guidelines and a preliminary proposal. A tiered, iterative form of review builds

concensus about "good" projects. The review model creates an intensive role for staff and encourages interaction with grantees on substantive proposal ideas.

The point of contrasting these two approaches to proposal review is to present two alternatives. One method is not preferable for all programs. The question of which method is suitable requires examining several questions: What are the purposes of legislation? Is it broad and general or specific and targeted? What is the policy instrument? How similar or different are the eligible applicants? FIPSE has designed practices that support its innovation mandate and general goals, the grant as the policy instrument, and the diversity of eligible ideas and applicants. FIPSE's early organizational autonomy, the strength of ideas such as responsiveness preceding legislation, and stability of staffing patterns from 1972-79 allowed staff to invent, test, and refine grants management practices.

Monitoring Grants

The rational approach that characterizes the solicitation and review practices of many discretionary grant programs extends to the practice of monitoring grants. Monitoring is often viewed as the phase that strictly coincides with the time of the grant award. As such, it follows proposal solicitation, review, and selection in a

linear time sequence and the activity itself is a discrete (or "vertical slice") of overall grants practices.

Even more than guideline writing and grant review, knowledge about monitoring is widely scattered and deeply embedded at the program level. Interestingly, definitions of monitoring are quite broad and include technical assistance roles for federal officials as well as concerns about compliance. However, departmental guidelines on monitoring tend to emphasize compliance functions--fiscal accountability, timely submission of reports, the grantee's ability to adhere closely to goals stated in the original proposal, and the ability to meet technical requirements of the grant. Such descriptions suggest that officials are more concerned about controlling the grant than developing it. A leading writer on implementation, Walter Williams, is critical of practices that equate project control with compliance because they lead to "low level" administrative practices. Federal staff lose the opportunity to analyze more complex political and bureaucratic factors that increase an understanding of project outcomes.[29]

A major way in which FIPSE's monitoring is distinctive is in its substantive orientation starting with the first staff communication with applicants. The relationship becomes more active with grantees during the solicitation phase, first at the preliminary proposal stage and later at the full proposal stage. Because final proposals are

reviewed in teams, several staff members know the purposes of a project by the time it is funded.

Although staff are assigned individual projects to monitor, all project directors and staff communicate freely with each other. Staff are expected (through performance appraisals) to learn about their projects and to identify significant developments for staff and National Board members. Learning about new trends is considered to be important. Sometimes the next set of program guidelines is based on learning from proposals and funded projects. In these ways, FIPSE's monitoring is "horizontal" in time across grants processes rather than "vertical" or restricted in time.

How have the grantees reacted to FIPSE's monitoring approach? The NTS evaluation emphasizes the flexibility of program monitoring practices. Directors describe their relationship to staff as a supportive "partnership". Directors characterize staff as enthusiastic, substantive and client-centered. The NTS evaluators describe that staff are helpful without being intrusive in monitoring:

> In summary, the Fund's provision of high quality technical assistance when requested, combined with its philosophy of noninterference in basic project operations, its willingness and ability to assist projects in their implementation, and its flexibility in allowing projects to grow and change led it to become a uniquely popular Federal agency in the eyes of a vast majority of its grantees.[30]

Pressures in the Bureaucracy Affecting Grants Practices

FIPSE's solicitation, review and monitoring practices developed based upon the program's innovation goals and departed from standard grants practices used in HEW. Because of the support the program enjoyed initially, administrators were able to resist successfully pressures to conform to established grants practices. FIPSE's operating environment changed through the seventies and continues to affect program operations. Developments during the decade continued to pressure administrators to standardize grants practices.

Several government-wide developments affected grants management policy throughout the seventies, particularly: (1) initiatives to simplify regulations and paperwork; and (2) efforts to distinguish among grants, contracts, and other forms of federal assistance.[31] Organizationally, the Office of Management and Budget (OMB) increasingly standardized and centralized grants management policy. Interestingly, efforts that arose to simplify federal grants practices for grantees often had the opposite effect by making program practices even more rigid.

Congressional interest in simplifying regulations arose from large numbers of intergovernmental programs that had overlapping, redundant, or even contradictory requirements for grantees. Throughout the seventies, congressional hearings were held and reports produced to highlight

problems and to reduce heavy handed regulation at the federal level.[32] In the mid-seventies HEW attempted to simplify regulations, a trend that continued during the Carter Administration.

One approach to easing governmental regulation was to reduce the paperwork required of grantees and this resulted in the passage of the Paperwork Reduction Acts of 1978 and 1980. To carry out the purposes of the Acts, a unit was created in HEW called the Federal Education Data Acquisition Council (FEDAC). FEDAC is responsible for minimizing the paperwork burden for applicants. FIPSE was affected procedurally in two relatively minor ways. FEDAC now processes incoming proposals and makes decisions about whether or not late submissions are eligible for review. Another way the Paperwork Reduction Acts affect FIPSE is through reductions in the number of proposals required: ten in 1973, four in 1977, and three by 1980.

FIPSE's approach of using a preliminary proposal strongly supports the spirit of reducing the paperwork burden on grantees. Nevertheless, contracts and grants administrators challenged FIPSE's Director to invite back fewer grantees at the full proposal stage. Staff resisted this suggestion since they felt that narrowing the pool of proposals jeopardizes the goal of comprehensiveness.

In addition to paperwork reduction, a second significant development in the seventies was the government's

attempt to distinguish between procurement and assistance programs. Up to this time the terms grant and assistance were often used interchangeably in fundamental documents.[33] First, the Commission on Government Procurement in 1972 and later the Federal Grants and Cooperative Agreement Act of 1977 attempted to standardize the definitions of contract, grant and cooperative agreement. In addition, the Act mandated OMB to develop a guidance system for federal assistance programs.[34] The 1977 Act distinguishes procurement from assistance in this manner:

> Procurement relationships exist when the principal purpose of the transaction is acquisition, by purchase, lease, or barter of property or services for the direct benefit or use of the Federal Government;
>
> Assistance relationships exist when the principal purpose of a transaction is the transfer of money, property, services anything of value to accomplish a public purpose of support or stimulation, authorized by Federal statute.[35]

Assistance relationships can take the form of grants or cooperative agreements. The 1977 Act concentrates on delineating the purposes of assistance and procurement rather than adopting definitions based on traditions. In spite of important attempts to clarify meanings, many program staff remain confused about distinctions. Grants continue to be treated as contracts, demonstrating that history and precedent influence ongoing operations.

Pressures to standardize grants practices intensified about the time FIPSE was created. In 1972 general guidance

for grants management was contained in the HEW Grant Administration Manual. Starting in 1973, the HEW Grants and Management Procurement Division (GMPD) began to recodify regulations. The impetus for revision arose from concerns about procedural equity. Equity typically means treating all applicants and proposals in a similar manner during grant review. GMPD Administrators examined program practices to determine whether procedures could lead to favoritism in proposal review. Major concerns were review criteria, how reviewers were selected, and conflict of interest issues.

Officials continually found basic features of FIPSE's review process troublesome, especially steps that involved discretion. Several practices perplexed officials. Contract and grants officials preferred panels and rankings and did not understand why there were sequential stages involving only two external reviewers at each stage. One memorandum from the contracts and grants office in 1980 states: "The absence of rank ordering creates a completely subjective evaluation with little evidence of the objectivity necessary to prevent allegations of lack of openness and fairness."[36] In response, FIPSE administrators pointed out the iterative additional reviews that could be counted as readings.

Contracts and grants officials were also uncomfortable with the breadth of FIPSE's review criteria that were

usually one level more abstract than other programs. For instance, one criterion is the extent to which a proposal involves processes, features, or products applicable to other postsecondary settings. Officials preferred to translate "soft" terms such as processes and features into concrete terms such as milestones and management plans.

A third objection concerned the practice of telephone contact with grantees during the review process. Because not all applicants were called, grants officials felt staff violated the equity principle. In addition GMPD officials demanded parameters for telephone discussions. FIPSE's staff responded by documenting contact with applicants.[37]

Almost every feature of solicitation and review that deviated from the standard, bureaucratic practice was problematic. GMPD officials were vigilant in concerns about equity, but often construed equity in narrow, particularistic ways by analyzing one feature of the review process at a time. Objectivity meant "numerical rankings". If individual parts of the process conformed to the norm, officials were satisfied. Officials expressed particular concerns and never asked: Does this practice make sense for this legislation? Is this a qualitatively sound review process?

Changes in FIPSE's Organizational Environment

In addition to increasing attention to grants practices, another major development that affected FIPSE in 1979 was the shift in organizational placement from the fringe of HEW to a bureau within the new Department of Education. Once the program was "squarely" within the bureaucracy, pressures to adopt the Department's management practices intensified.

From the beginning, the creation of the Department was highly political and turbulent. It was conceived and nurtured amidst two political contests between Democrats and Republicans in the elections of 1976 and 1980. Jimmy Carter made the Department's creation a goal of his 1976 campaign. Translating the promise into a reality took three years. Shirley M. Hufstedler, the first Secretary of Education, held her office for slightly over a year when Republicans, who had promised to dismantle the Department of Education, were elected to office.[38]

Through the final legislative phase and 180-day transition period many significant administrative actions created uncertainty in the operating environment of programs such as FIPSE. The number of Assistant Secretaries swelled from six in 1978 to 13 by 1979. The Department created two new bureaus, including the Office of Educational Research and Improvement (OERI) housing NIE, FIPSE, and other discretionary programs. Administrative expansion

was sharply curtailed when Terrence Bell was appointed Secretary of Education in 1981. One of Secretary Bell's first actions was to eliminate four of the 13 Assistant Secretaries and 35 of the 47 Deputy positions. In accordion-like fashion the Department first expanded in 1979, and then sharply contracted in 1981-82 under a new Administration.

From 1979-81 FIPSE, like most education programs, faced a turbulent organizational milieu characterized by a radical change in attitudes and policies toward educational programs. When the Department of Education was created in 1979 FIPSE was placed organizationally in OERI where administrators praised the program's review processes, assigned FIPSE oversight responsibility of a science program, and identified the program's regulations as "exemplary" for the Department.[39] In addition, the Carter Administration proposed a budget increase to $19 million.

FIPSE's environment radically altered between 1979 and 1981. In 1980, Secretary Bell assigned the program to the Office of Postsecondary Education (OPE) in order to keep it aligned with other programs serving colleges. Within the space of three years, 1978-81, FIPSE had three Directors and three organizational placements. In 1983 (a year in which the program received a record number of proposals) the Reagan Administration recommended cutting the budget in half. The prior year's budget was reinstated by Congress. The change from the Carter to the Reagan Administration in

1980 affected both the policymaking and managerial climate in the Department of Education.

FIPSE's Responses to Bureaucratic Pressures

The Reagan Administration's emphasis on efficiency as well as budget and personnel reductions represents a radical shift from the supportive environment in which FIPSE initially operated. In 1972 a Republican Administration proposed broadening federal involvement in higher education by expanding student aid and creating two new agencies to support research (NIE) and innovation (FIPSE). Programs were being created, and departments were hiring new staff.

By 1980, under another Republican Administration, the policy and management climate altered. A decade of fiscal retrenchment has been capped by the Reagan Administration policy to reduce federal spending and personnel and to consolidate programs. From 1981-83 major pieces of education legislation were organized into block grant awards to state and local governments as part of the Education Consolidation and Improvement Act. Education at all levels is considered to be a state and local concern calling for minimal "interference" at the federal level.

Within the altered environment management emphasizes program accountability, budget reductions, and control. A major thrust is the government-wide initiative to reduce fraud, waste, and abuse (OMB Circular A-123). In the

Education Department all programs complete annual "vulnerability assessments" to review funding levels, missions, resources, internal controls, and past program evaluations. The control emphasis is also apparent in the strengthened role for Inspector Generals, sharpened oversight of program procedures, and increased clearance procedures required for basic program documents.

These developments--the increased standardization of grants practices through the seventies and the current managerial emphasis on accountability, efficiency, and control--pose direct challenges to the grants management practices developed by FIPSE. The current climate, emphasizing control, exacerbates bureaucratic tendencies to standardize grants practices. An interesting question to explore is how FIPSE responds to a hostile operating environment. FIPSE appears to have buffered its goals and practices against standardization through several planned and unplanned developments during the last decade including a favorable program evaluation, constituent support, and legal codification of grants practices.

One of the major and unplanned developments that contributes to support for FIPSE is the favorable NTS evaluation. The evaluation, comprehensive in scope, found a high grant continuation rate of 78 percent, effective grants management, and consistency with the Congressionally mandated objectives. The NTS findings were issued in 1979

prior to FIPSE's legislative reauthorization in 1980. The evaluator testified about FIPSE's effectiveness at Congressional hearings, and this spawned favorable journal articles and heightened visibility for the program.[40] The favorable evaluation findings are often used by staff and constituents as evidence of the program's effectiveness. Concrete results allow a program with broad, ambitious goals to report tangible evidence of success through high project continuation rates.

The favorable evaluation creates visibility in Congress where members share a general impression that FIPSE is cost effective and efficient. In addition to the positive impression in Congress, the program now has a small and active group of supporters. As FIPSE continues as an organization, and former staff, board appointees, and project directors advance in their own careers, a cadre of influential advocates (informally called "Friends of FIPSE") actively champion the program. Also, the current and former Board Chairs have held congressional and political office and can speak to peers with authority about FIPSE. These developments demonstrate one form of the iron triangle theory that congressional supporters, agency personnel, and a few client organizations form a confederation that supports an organization. FIPSE's client organization, however, is not a single-issue interest group. Supporters are individuals from different organizations who

share a common concern for postsecondary education and feel good about the program. Although large and geographically dispersed constituent groups are desirable, a small clientele that is highly self-conscious and dedicated to the agency's objectives can be much more effective.[41]

In addition to a favorable evaluation and constituent support, a third and deliberate way that the program buffered itself from standardizing practices is by codifying them. To codify grants practices required an understanding of the legal processes and instruments that affect programs including department and program statutes, regulations, and HEW manuals.[42]

FIPSE's strategy has been to discover the grey areas in law that support grants practices. In general, the broader statutes and regulations, e.g., department versus program, contain more "grey areas" that are open for interpretation. The interplay of grey areas is also a critical factor. Gaining an exemption in an area such as program regulations is quickly leveraged into gaining an exception to departmental regulations. The FIPSE liaison to the grants office describes the strategy in this way:

> Few debates with Contracts and Grants were about fundamental policies--war was over particular matters. The door was seldom open for a program like the Fund with its alternative procedures. More often it was a matter of finding a crack in the window and wrestling away a small degree of self determination. In addition to knowing the laws, behavior and attitude were actually quite significant as well.[43]

In addition to attention to terms in the statute, staff used the regulation and reauthorization process. The most significant departmental change in regulatory policy in the seventies, the implementation of the Education Department General Administrative Regulations (EDGAR) in November 1980, was an attempt to simplify and standardize grants management review procedures.[44] FIPSE used the opportunity to codify and sanction practices that to this point had been contested annually. The outcome was highly successful. Sections of EDGAR legitimatize the use of preapplications and telephone calls to applicants to gather information about proposed activities. The program also obtained exemptions from EDGAR's review criteria. FIPSE does not have to use numerically "weighted criteria" or "three readers". In addition, the program's broad review criteria were accepted.[45] By codifying review practices in EDGAR, FIPSE became validated as an alternative program.

In addition to regulatory codification, other significant steps to validate program goals were reauthorization in 1976 and 1980 producing three changes to the original statute. In the 1976 Education Amendments FIPSE's name appeared in the statute for the first time, making the program and legislative titles synonymous. Even more important, the 1980 statute describes the substantive role that FIPSE has developed for its National Board. This step legally codified the important relationship that had

operated in practice for seven years, thereby adding to the stature of the National Board. Another addition to the 1980 statute is a section describing the Director's responsibility for establishing grants practices, an inclusion intended to stress organizational autonomy.[46]

A major reason these steps were possible is because they occurred at a time when top Department leaders supported FIPSE.[47] The timing in 1979 was favorable given the positive NTS evaluation. Furthermore, staff were experienced enough after seven years to understand and translate program goals into legal practices. A short upswing in the policy climate of the Department of Education following its creation led to some flexibility about program practices. If codifying regulations had occurred at FIPSE's inception in 1972 when staff had not fully developed practices, or in 1980 under the Reagan Administration's emphasis on control, FIPSE might have been unsuccessful in legally assuring grants practices.

Implications of a Hostile Environment for Grants Practices

FIPSE has successfully resisted strong pressures in a large bureaucracy to conform to standard practices. An increasingly difficult challenge for FIPSE is to pursue policy goals in a managerial climate that simultaneously emphasizes budget reductions, accountability, and control. Since the managerial climate is "invisible" within the

internal environment of a department rather than the more public legislative arena, constituent support and the benefits of a positive evaluation are of limited help. Unlike the legal routes available to sanction review practices, there are few formal channels to buffer control and retrenchment.

For instance, reductions in staff since 1981 pose a threat to program vitality. Since 1981, FIPSE (like the Department) has experienced a one third reduction in staff.[48] As civil servants leave they are not replaced. The inability to hire temporary personnel deprives the program of fresh sources of ideas.

In addition to personnel reductions, the program is affected by budget reductions. The 1984 budget for FIPSE at $11.7 million is only $1.7 million more than it was in 1972. In real dollars this is much less money, so that FIPSE's budget (based on the Consumer Price Index) in June of 1983 is less than half (46 percent) of its value in 1973, placing pressures on grantees to do "more with less". Within the departmental context, budget reductions in internal salaries and expenses (S&E) reduce opportunities for staff to visit projects and to assist and learn about them. In addition, Departmental limitations on printing prevented FIPSE from disseminating information about project outcomes from 1981-84.

These last examples demonstrate how limited resources and management policy constrain program purposes. FIPSE grants are small, averaging $70,000, and few encounter serious enough problems to raise the specter of "grantee abuse". In fact, the NTS evaluation signals their effectiveness. Visiting projects to assess their promise as innovative projects simply "lacks punch" in a government-wide context which aims to slam the door on abuse.

One practice affected by current management policies is monitoring of grants. Unlike solicitation and review that are legally governed by regulations, monitoring is a less visible program practice that is affected by Departmental resources and management policy. In the last three years interest in monitoring within the Department of Education has peaked as a result of the Grace Commission's critique of practices. The Department's Office of Management resurrected two in-house reports produced on monitoring and also issued a directive in 1985 to standardize program monitoring practices.[49] The directive establishes minimum monitoring standards, requires quarterly and annual reporting, and emphasizes control and compliance issues.

The bureau in which FIPSE is placed, the Office of Postsecondary Education, (OPE) has taken specific steps to monitor grants more efficiently. One action is to develop a plan that uses eleven measures to identify vulnerable projects. The measures are weighted toward timely

submission of reports, stability in budget categories, and timely achievement of a project's "milestones".[50] In 1983 OPE also centralized a small number of discretionary grants program into a functional reorganization that separates monitoring from proposal solicitation and review. The monitoring unit conducts "cross program" regional monitoring. A regional monitor meets at one site with directors of different federally funded programs.[51]

Although FIPSE's practices are congruent with the Reagan Administration's goal of accountability, current assumptions about monitoring differ from FIPSE's. The Department is oriented toward preventing fiscal abuse rather than toward discovering exemplary practices. FIPSE, however, views monitoring as the reverse--to discover exemplary practices. The accountability emphasis assumes that changes in project activities signal problems and poor performance by grantees. By necessity, projects that attempt innovations develop and change. Shifts in activities or budgets may be required as a result of learning, project developments, or additional resources. The requirement of strict adherence to original grant activities and budgets is a rigid policy for the innovation goals of FIPSE grants and most discretionary grant programs.

This chapter documents how FIPSE resisted pressures to standardize its practices and implemented its broad mandate adaptively rather than through technically rational

methods. Program goals developed into practices that departed from the bureaucratic "norm" but adhered to substantive policy goals to promote innovation. Ironically, a major, unplanned evaluation--the hallmark of "good" rational management--aided the program by providing concrete evidence of FIPSE's results. In addition, constituent support and legal codification of grant practices support FIPSE's alternative mode of operating.

Throughout implementation and operations FIPSE's environment has changed from one that was supportive to one that is hostile. The current managerial climate emphasizes budget reductions, efficiency, control, accountability, and leads to prescriptions to standardize grants practices. Standardized monitoring practices are increasingly emphasized even though more adaptive methods are consistent with FIPSE's mandate to promote innovation. The next three chapters probe the topic of monitoring in some depth beginning with the question: How do project directors who are involved in day-to-day activities and staff who monitor projects describe monitoring functions?

Footnotes

[1]U.S. Department of Health, Education, and Welfare, Fund for the Improvement of Postsecondary Education, Program Information and Application Procedures, Washington, D.C: HEW, 15 February 1973, p.1; and U.S. Department of Education, The Fund for the Improvement of Postsecondary Education, The Comprehensive Program: Information and Application Procedures, Washington, D.C.: Education Department, Fiscal Year 1983, p. 1.

[2]Charles Bunting, "Funding Quality Improvement: Lessons from the FIPSE Experience" (Washington, D.C.: A Paper presented at the annual conference of the American Association of Higher Education, 1980) p.9.

[3]U.S. Department of Health, Education, and Welfare, Office of the General Counsel, "Subject - GEPA, Section 404--Eligible recipients of assistance," Washington, D.C. 13 April 1973. Another important early interpretation concerned the definition of "technical employee" in reference to hiring personnel under the exempt authority in the statute. The legal counsel upheld the staff's view that Congress was referring to professional employees versus clerical employees. DHEW, Office of the General Counsel, Paul Woodman, "Memorandum on Clarification of the term technical employees - Program of Support for the Improvement of Postsecondary Education," Washington, D.C. 5 September, 1972.

[4]U.S. Department of Education, The Comprehensive Program, FY 1983, p. 3. Even the first set of guidelines included this type of broad statement: "it should be understood that the Fund welcomes bold and imaginative proposals related to the reform, innovation, and improvement of postsecondary education, which fit no preconceived categories of grant-making activity." pp. 5-6 FY1973.

[5]Unlike the first year when 47 percent of the Fund's 89 grants exceeded $100,000 (and one grant was $750,000) in 1983 only 6 percent of the 75 grants exceeded $100,000 with the largest award at the level of $166,000. The 1984 budget at $11.7 million is only $1.7 million more than it was in 1972. In terms of real dollars this amount has much less purchasing power than it did in 1972. In real terms (based on the Consumer Price Index) the budget in June, 1983 was less than half, 46 percent, of its value in 1973.

[6]One consequence of the two goals is that staff must make judgments about when to become involved with issues. The Comprehensive Program, the primary competition, encourages a wide sweep of proposal ideas and provides a profile of national concerns. This allows staff to identify issues

before they may be widely recognized. A faculty member on sabbatical to the Fund, Nancy Hoffman, cites early support for women's projects as an example of programmatic responsiveness. Strong projects were funded and two publications were written.

[7]Although FIPSE staff like to think of the program as analogous to a project that is action oriented and risk taking, the early use of the term specifically referred to the projects.

[8]Charles Bunting, Funding Quality Improvement, p.8.

[9]U.S. Department of Health, Education, and Welfare, "A Discussion of the Grants Management Process for the National Foundation for Postsecondary Education," Charles Bunting, David Justice and Mike O'Keefe, (Foundation Task Force, 1972), p. 11.

[10]As a result of these emphases the grant budgets normally support the professional staff time required to develop new programs rather than large amounts of travel, equipment, student stipends, or costs that might reduce opportunities for adaptation or replication elsewhere. Although FIPSE does not have a prescribed cost sharing requirement, institutional support is considered to be important from the start. On the average, only 15 percent of the program budget is expended in the area of indirect costs even though most institutions have higher official rates.

[11]In the first several years of FIPSE several large grants were awarded to encourage the development of new institutions, e.g., the Community College of Vermont, the Women's Inner City Resource Center in Boston, Malcolm King College, N.Y. etc.

[12]Dennis Dean Utterback, "The Influence of the Grant Award Process in the Implementation of a Discretionary Grant Program" (Ph.D. dissertation, the University of Syracuse, 1982), p. 34.

[13]Ibid., p. 26.

[14]Walter Williams, The Implementation Perspective (Berkeley: University of California Press, 1980), p. 54.

[15]Francine Rabinovitz, Jeffrey Pressman and Martin Rein, "Guidelines: A Plethora of Forms, Authors, and Functions" Policy Sciences Vol. 7 No. 4 (1976): 412-413.

[16]Nancy Hoffman, "Tension and Collaboration: Local Educational Improvement and National Change" (A Paper

prepared for the Conference on Alternative Education at Evergreen State College, September, 1981), p.4.

[17]For example, in 1979 the staff sponsored a "field inquiry" by asking several hundred practitioners around the country about problems they faced. In 1983, on the ten year anniversary of FIPSE, staff discussed developments of the decade with an expert panel and published a document called A Decade of Improvement to describe changes occurring in the seventies and FIPSE's role in some of these areas.

[18]Francine Rabinovitz et. al., Guidelines, pp. 412-413.

[19]The process of garnering "field input" has the benefit of orienting staff to the substantive (versus procedural) purposes of the program. For instance, when several hundred proposals are suddenly submitted in one year as they were in the technology area in 1980 and in teacher education in 1983, the staff sponsor discussions with the national Board and other groups to identify leading questions about new developments.

[20]Desmond L. Cook, Final Report-Proposal Development and Evaluation: A Synthesis of Empirical Studies (Columbus, Ohio: The Ohio State University, January, 1984) pp. 22-28.

[21]U.S. Department of Health, Education, and Welfare, FIPSE, "Conscious Choices: A Brief Review of the Fund's Approach to Encouraging Improvement In Postsecondary Education," Allison Bernstein, 1974, p.7.

[22]U.S. Department of Education, FIPSE, "Evaluation Plan for 1980 Comprehensive Program" (Memorandum for the Grants Management and Procurement Division of the U.S. Department of Education, 1980) p. 4.

[23]John Meeker, "An Assessment Based on Expert Opinion of the FIPSE," (Ann Arbor, Michigan: Formative Evaluation Research Associates, 1978), p.4.

[24]NTS Research Corporation, An Evaluation of the Fund for the Improvement of Postsecondary Education, Volume II: Final Report, Prepared for the Office of Planning, Budget and Evaluation, U.S. Department of Education, 1979.

[25]Potentially 27 different people could review a funded proposal. The process starts with review of preliminary proposals at six to eight cities by two outside reviewers. About 140 readers are involved with two thirds new each year. These reviews are generalist reviews.

Following the outside reviews, all proposals are read by a staff member and the top third advance for further review by a staff committee. At this point proposals addressing similar themes are grouped together. Several hundred of the strongest proposals are recommended to the Director and Deputy to be invited to submit a full proposal. A short appeals process at the end enables staff to review the overall portfolio for regional, institutional, client group and thematic balance and results in an additional ten percent as invitees to the full proposal stage.

[26]Staff participation is critical at the final stages of full proposal consideration when a staff person must understand any changes occurring as the grant is about to be implemented. For this reason, when possible, staff will be assigned to monitor full proposal grants that they reviewed.

[27]All applicants are notified 6-7 weeks after the submission of the preliminary and they have 5 weeks to prepare the full proposal. During this time applicants can call a staff member to discuss the review comments. Again, the first step of full review involves site review with a total of about 70 readers followed by three months of intensive staff committee review. A meeting is held toward the end of the process with FIPSE's national Board to discuss proposal ideas that represent new directions. During the latter stages of review, staff call applicants to clarify questions raised through the review and to verify commitments that are critical to the project. The strongest proposals are recommended to the Deputy and Director.

[28]Erwin C. Hargrove, The Missing Link: The Study of the Implementation of Social Policy (Washington, D.C.: The Urban Institute, 1975), p. 36.

[29]Walter Williams, The Implementation Perspective, pp. 37- 39.

[30]NTS Research Corporation, An Evaluation of the Fund, p. VI-12.

[31]All education grants must adhere to four laws: Title VI of the Civil Rights Act of 1963 preventing discrimination on the basis of race, color or national origin. In addition, grantees must not discriminate on the basis of sex, handicap or age (Title IX of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act). Grantees must also be familiar with the Environmental, Privacy and Freedom of Information Acts and many procedures specific to the Department, e.g. terms of the grant award, payment procedure, audit policy, survey and forms clearances. Some of these are

described in EDGAR, Federal Register 45 (3 April 1980) 100a.500, p. 22510.

[32]U.S. Congress, Senate, Committee on Governmental Affairs, Federal Grant Management Reform, Hearings before the Subcommittee on Intergovernmental Relations on S.878 and S.904, 96th Congress, 1st session, 1979. Reports were issued through Congressional hearings, by OMB and by ACIR. The latter reference is: U.S. Advisory Commission on Intergovernmental Relations, Improving Federal Grants Management, (Washington, D.C.: Advisory Committee on Intergovernmental Relations, 1978).

[33] Dennis D. Utterback, "The Influence of the Grant Award Process," pp. 34-35.

[34]OMB assumed an increasingly central role in the seventies through oversight of the Federal Grants and Agreement Act and by issuing circulars dealing with grants management.

[35]U.S. Office of Management and Budget, "Implementation of Federal Grant and Cooperative Agreement Act of 1977" (P.L. 95- 224), Federal Register 43 (18 August 1978): 36862.

[36]U.S. Department of Education, Director Grant and Procurement Division, "Subject: FIPSE Evaluation Plan for 1979," 8 February 1980) p. 2.

[37]U.S. Department of Education, FIPSE, Notes on meeting between FIPSE staff and Contracts and Grants Administrators, FIPSE files, 17 January 1980.

[38]The Department initially included 120 programs from the Office of Education totalling $12.7 billion. In addition, 32 new programs from six other Departments were added totalling $1.5 billion.

[39]The Minority Institutions Science Program (MISIP) began in 1972 at NSF with a budget of $5 million (same level today). MISIP's purpose is to improve science education at predominantly minority institutions through project grants. The program and three staff reported to FIPSE's Director from 1979 until 1983 when the program was merged with other small discretionary programs in the Office of Postsecondary Education. The current statute is in the General Education Provisions Act (20 U.S.C. 12213-1b(2).

[40]NTS Research Corporation, "An Evaluation of the Fund," p.V-17. The NTS evaluation was followed by

favorable journal articles: In his editorial in Change Magazine on January, 1980, George Bonham wrote: "The Fund has generated "ordinary knowledge" of the best kind and its work and success contain important lessons for social scientists as well," pp. 12-13. Sally Reed, "U.S. Agency with a Difference," The New York Times, 4 January 1981. Janet Hook, "The Innovative Federal Agency that Gets Widespread Acclaim Instead of Criticism." Chronicle of Higher Education, (Washington Section 25 February, 1980. George Bonham "A Letter to the President," Change Magazine, November/December 1980, pp. 13-14. Congressman Al Swift managed to enter a statement of support written by Christopher Connell, (U.S. House of Representatives, Washington, D.C. 30 June, 1980). It opens: "In the annals of bumbling, heavy handed, smother 'em-with-red-tape, bloated bureaucracy, FIPSE emerges as a man-bites-dog story. FIPSE is a bite sized federal agency that everybody seems to love." (p. 3292).

[41]Francis E. Rourke, Bureaucracy, Politics and Public Policy, 2nd ed. (Boston: Little, Brown and Company, 1976) pp. 81-106.

[42]Interviews with Rusty Garth, Fund for the Improvement of Postsecondary Education, Washington, D.C. February-March, 1984.

[43]Ibid.

[44]EDGAR was implemented in November, 1980 under the Education Organization Act with statutory authority in the General Education Provisions Act.

[45]FIPSE influenced how often priorities had to be announced. A new section of EDGAR was written in 1981 saying that not all priorities had to be written in the regulations every year if the program had an invitational solicitation and field review process. FIPSE's regulations were written so that competitions could operate within the broad mandate by mixing and matching from five sections.

[46]Reauthorization of the Higher Education Act of 1980, Title X-Fund for the Improvement of Postsecondary Education, P.L. 960374, Section 1003, 94 STAT 1490, Section 1004(b). Prior to 1980 FIPSE used the term advisory board. Since 1980 staff use the term in the statute, National Board.

[47]The individuals most supportive of FIPSE at this time were Assistant Secretary for Education Mary Berry, Assistant Secretary of OERI James Rutherford, and legal counsel Stuart Baker.

[48]Education Secretary Bell's 1985 budget states that since 1981 the numbers of full time employees in the Department of Education has been reduced by 33 percent from 7,409 to 4,979, with most of the drop (28 percent) experienced during the time of reductions-in-force from 1981-83.

[49]U.S. Department of Education, "Final Report on the Monitoring of Discretionary Grants," Howard Hjelm, Chair, Task Force on Monitoring Discretionary Grants, October, 1980. The report makes recommendations to formalize departmental policies: through monitoring manuals that determine indicators of satisfactory progress; through documentation; through more equitable allocation of funds for travel; through training programs for employees and by centralizing oversight responsibility for monitoring in an administrative unit. A parallel report was prepared for state grants entitled "Report of the State Formula Grant Programs" issued on August 23, 1979. State Grants constituted most of the elementary and secondary education programs in the Department. Often state grants involve review of state plans through teams. The purpose of monitoring is defined as legal oversight, fund usage and development of quality programs. The task force recommends that the Department issue monitoring manuals.

[50]U.S. Department of Education, OPE, "A Model for Discretionary Grant Program Review Determination" Joel West 29 March 1983, pp. 1-2 and 8. West's model rates vulnerable projects using eleven measures: five fiscal factors; three program factors and three questions about general project management. The three program factors are concerned with the lack of timely submissions of written reports, shifts in activities as reflected by budget shifts, and delay in achieving the milestones of the grant.

[51]Department of Education, OPE, Office of Institutional Support, "Cross Program Monitoring," Task Force on Cross Program Monitoring, March 1982.